
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”), you should at once hand this circular to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



北京北大青鳥環宇科技股份有限公司

BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 08095)

**(1) POSSIBLE VERY SUBSTANTIAL DISPOSAL:
DISPOSAL MANDATE FOR SHARES IN JADE BIRD FIRE CO., LTD.;
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at 10:30 a.m. on Tuesday, 21 January 2025 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC are set out on pages SGM-1 to SGM-4 of this circular. The form of proxy for use at the special general meeting of the Company is published on the website of the Company at www.jbu.com.cn and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the special general meeting of the Company, you are required to complete the form of proxy in accordance with the instructions printed thereon. For holders of H Shares, you are required to return the form(s) of proxy to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. For holders of non-listed Shares, you are required to return the form(s) of proxy to the principal place of business of the Company in Beijing at 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC. Whether you are holders of H Shares or non-listed Shares, you are required to return the form of proxy by 10:30 a.m. on Monday, 20 January 2025 or not less than 24 hours before the time appointed for holding any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

30 December 2024

CONTENT

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Letter from the Board	5
Appendix I – Financial Information of the Group	I-1
Appendix II – Financial Information of the Target Company	II-1
Appendix III – Unaudited Pro Forma Financial Information of the Group	III-1
Appendix IV – General Information	IV-1
Notice of SGM	SGM-1

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings:

“Adjusted Financial Information of the Target Group”	has the meaning ascribed to it under paragraph B(a)(2) in Appendix II to this circular
“Announcement”	the announcement of the Company dated 25 November 2024 in relation to the Possible Disposal and the Disposal Mandate
“BDO”	BDO Limited, the Company’s auditor
“Board”	the board of Directors
“Chuanqi Tourism”	傳奇旅遊投資有限公司 (for identification purpose only, Chuanqi Tourism Investment Co., Ltd.), a limited liability company established in the PRC
“Company”	北京北大青島環宇科技股份有限公司 (Beijing Beida Jade Bird Universal Sci-Tech Company Limited), a joint stock limited company incorporated in the PRC with limited liability with its H Shares listed on GEM
“Consideration”	the consideration of RMB1,101,846,000
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Directors at the SGM to dispose of up to 20,000,000 Target Shares during the Mandate Period
“Eta Shanghai”	鎔特半導體科技(上海)有限公司 (for identification purpose only, Eta Semiconductor Technology (Shanghai) Co., Ltd.), a limited liability company established in the PRC
“Extracted Financial Information of the Target Group”	has the meaning ascribed to it under paragraph B(a)(2) in Appendix II to this circular
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

DEFINITIONS

“Guangdong Lumen”	廣東新銳流銘光電有限公司 (for identification purpose only, Guangdong Lumen Pioneer Opto Co., Ltd.), a limited liability company established in the PRC
“HKFRS”	Hong Kong Financial Reporting Standards issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas-listed foreign invested shares in the ordinary share capital of the Company, with a nominal value of RMB0.1 and subscribed for and traded in Hong Kong dollars
“Independent Third Party (ies)”	third party(ies) which is/are independent of the Company and its connected persons (which have the meaning ascribed to it under the GEM Listing Rules)
“Latest Practicable Date”	27 December 2024, being the latest practicable date prior to the bulk-printing of this circular for ascertaining certain information contained in this circular
“Mandate Period”	the 12-month period from the date of passing of the relevant resolution approving the Disposal Mandate and the Possible Disposal at the SGM
“Mr. Cai”	Mr. Cai Weimin
“Non-listed Shares”	non-listed shares in the ordinary share capital of the Company, with a nominal value of RMB0.1, subscribed for or credited as fully paid up in RMB
“Possible Disposal”	the possible disposal(s) of up to 20,000,000 Target Shares by the Company under the Disposal Mandate
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Public Target Financial Statements”	has the meaning ascribed to it in the sub-paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules – Waiver sought” in the letter from the Board in this circular
“Published Financial Information of the Target Group”	has the meaning ascribed to it in paragraph B(a)(2) in Appendix II to this circular

DEFINITIONS

“Reconciliation Information”	has the meaning ascribed to it under paragraph B(a)(2) in Appendix II to this circular
“Relevant Trading Period”	the period commencing on (and including) 1 September 2024 to (and including) the day immediately prior to the date of the Announcement
“RMB”	renminbi, the lawful currency of the PRC
“Sale Shares”	58,370,000 Target Shares which shall be returned to the Company by Mr. Cai as set out in the Company’s announcement dated 30 September 2024
“SGM”	the special general meeting of the Company to be held at 10:30 a.m. on Tuesday, 21 January 2025 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC for the Shareholders to consider and, if thought fit, approve the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder
“Share Transfer Agreement”	the share transfer agreement entered into between the Company and Mr. Cai pursuant to which the Company has conditionally agreed to sell, and Mr. Cai has conditionally agreed to purchase, 44,900,000 Target Shares, representing the then 7.49% of equity interests in the Target Company at the Consideration
“Shareholder(s)”	shareholder(s) of the Company
“Shanghai Shengjin”	上海盛今創業投資有限公司 (for identification purpose only, Shanghai Shengjin Venture Capital Co., Ltd.), a limited liability company established in the PRC
“Shanghai Xian Yao”	上海顯耀顯示科技有限公司 (for identification purpose only, Shanghai Xian Yao Display Technology Co., Ltd.), a limited liability company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 13 May 2024 entered into between the Company and Mr. Cai to amend certain terms of the Equity Transfer Agreement
“Target Company”	青島消防股份有限公司 (Jade Bird Fire Co., Ltd.), a limited liability company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002960)
“Target Shares”	shares of the Target Company

DEFINITIONS

“%” per cent

For the purpose of illustration only, the amounts denominated in RMB have been translated into HK\$ using the exchange rate of RMB1: HK\$1.0748 in this circular. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



北京北大青鳥環宇科技股份有限公司

BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 08095)

Executive Directors:

Ms. Zheng Zhong (*Chairman*)
Mr. Wang Xingye (*President*)
Ms. Guan Xueming (*Vice President*)

Non-executive Director:

Mr. Liu Ziyi

Independent non-executive Directors:

Mr. Tang Xuan
Mr. Shen Wei
Ms. Liu Zhangchi

Registered office:

3rd Floor, Beida Jade Bird Building
Yanyuan District Area 3
No. 5 Haidian Road
Haidian District
Beijing 100080
the PRC

Principal place of business in the PRC:

3rd Floor, Beida Jade Bird Building
No. 207 Chengfu Road
Haidian District
Beijing 100871
the PRC

Principal place of business in Hong Kong:

17th Floor
V Heun Building
138 Queen's Road Central
Central, Hong Kong

30 December 2024

To the Shareholders

Dear Sir or Madam

POSSIBLE VERY SUBSTANTIAL DISPOSAL: DISPOSAL MANDATE FOR SHARES IN JADE BIRD FIRE CO., LTD.

INTRODUCTION

Reference is made to the announcement of the Company dated 25 November 2024 in relation to the Possible Disposal and the Disposal Mandate, in which the Board announced that it proposed to seek for the Disposal Mandate from the Shareholders.

The purpose of this circular is to provide you with, among other things, (i) further information of the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the GEM Listing Rules; and (iii) the notice of the SGM.

LETTER FROM THE BOARD

THE POSSIBLE DISPOSAL AND THE DISPOSAL MANDATE

As at the Latest Practicable Date, the Group held 175,474,469 Target Shares (excluding the Sale Shares), representing approximately 23.57% of the total issued Target Shares.

The Directors proposed to obtain the Disposal Mandate from the Shareholders for the possible disposal of up to 20,000,000 Target Shares, representing approximately 2.69% of the total issued Target Shares as at the Latest Practicable Date, through (i) open market on the Shenzhen Stock Exchange and/or (ii) block trade(s) on the Shenzhen Stock Exchange by entering into placing agreement(s) with placing agent(s) during the Mandate Period.

Mandate Period

The Disposal Mandate shall last for a period of 12 months from the date of passing of the relevant ordinary resolution at the SGM.

Maximum number of Target Shares to be disposed of

The Disposal Mandate authorises and empowers the Directors to dispose of up to 20,000,000 Target Shares.

Scope of authority

The Directors are authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal, including but not limited to the number of batches of disposals, the number of Target Shares to be sold in each disposal, and the timing of each disposal.

Manner of the Possible Disposal

The Possible Disposal will be conducted through (i) open market on the Shenzhen Stock Exchange and/or (ii) block trade(s) on the Shenzhen Stock Exchange by entering into placing agreement(s) with placing agent(s). The terms and conditions for any block trade(s) will be negotiated on an arms' length basis and the Company will ensure the placing agent(s) to be engaged is/are licensed to carry on the activity of dealing in securities listed on the Shenzhen Stock Exchange. As at the Latest Practicable Date, the Company has not identified any placing agent and it will select reputable investment bank(s) as placing agent(s) by reference to the qualification and experience of the candidates and the terms they offer, such as the placing commission. In particular, the Company shall select its placing agent among candidates who are holders of securities business licence issued by the China Securities Regulatory Commission which allows them to deal in securities and advise on securities listed on the Shenzhen Stock Exchange and who had placed shares listed on the Shenzhen Stock Exchange during the past 36 months. In determining whether the Possible Disposal will take place in the open market or through block trade(s), taking into account that the total number of the Target Shares to be disposed by the Company, which holds more than 5% of the total issued Target Shares, through the open market shall not exceed 1% of the total issued Target Shares within 3 months as required by the applicable rules and regulations of the PRC whereas the maximum number of the Target Shares to be disposed of under the Disposal Mandate exceeds such limit, it will take a longer time in order to comply with such requirement if the Possible Disposal is conducted through the open market, the Company currently proposes that it will identify and secure placing agent(s) for carrying out the Possible Disposal by block trade(s) first. If the Company is unable to identify or secure any placing agent(s) or cannot reach any agreement with the placing agent(s) on terms favourable to the Company, the Company will proceed to conduct the Possible Disposal in the open market.

LETTER FROM THE BOARD

The Directors will take into account the then current market conditions and prevailing market prices of the Target Shares in respect of the Possible Disposal. The Possible Disposal shall be effected subject to the following conditions:

- (i) the Possible Disposal shall be conducted on normal commercial terms and shall be fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (ii) the selling price of the Target Shares under the Possible Disposal shall be settled in cash;
- (iii) the selling price (excluding transaction costs) of each Target Share under the Possible Disposal shall be the then market price of the Target Shares at the relevant time, provided that (a) whereas the Target Shares are to be disposed of through a block trade on the Shenzhen Stock Exchange, the selling price of each Target Share (excluding transaction costs) under the Possible Disposal shall not be less than the higher of (i) RMB8.24 (equivalent to approximately HK\$8.86) (“**Minimum Selling Price**”), being 80% of the average closing price of the Target Shares of RMB10.30 (equivalent to approximately HK\$11.07) during the Relevant Trading Period; and (ii) 95% of the average closing price of the Target Shares for the 5 trading days immediately before the placing agreement(s); and (b) whereas the Target Shares are to be disposed of through the open market of the Shenzhen Stock Exchange, the selling price (excluding transaction costs) of each Target Share under the Possible Disposal shall not be less than the Minimum Selling Price;
- (iv) the Possible Disposal shall comply with all relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong and the PRC; and
- (v) the persons to whom the Target Shares will be disposed of and/or their respective ultimate beneficial owners, will, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, be Independent Third Parties, provided that in case where the Possible Disposal is effected on open market of the Shenzhen Stock Exchange, the identity of the counterparty(ies) to the Possible Disposal would not be ascertained.

In determining the Minimum Selling Price, the Directors have taken into account of the fluctuation of the trading price of the Target Shares during the Relevant Trading Period. In particular, during the Relevant Trading Period (which is less than 3 months), the highest closing price and the lowest closing price of the Target Shares were RMB12.06 and RMB8.90 respectively, representing a variance of approximately 26.2%, which is more than 20%. In addition, the trading price of the Target Shares fluctuated significantly during the 12 months preceding the date of the Announcement, with the highest closing price being RMB15.99 and the lowest closing price being RMB8.90), representing a variance of approximately 44.3%. The Directors are therefore of the view that applying a discount of 20% to the average closing price of the Target Shares during the Relevant Trading Period in determining the minimum selling price of each Target Share (i.e. the Minimum Selling Price) under the Possible Disposal during the Mandate Period (which is 12 months from the date on which the Disposal Mandate is granted) as set out above is reasonable and appropriate.

LETTER FROM THE BOARD

In determining the Relevant Trading Period, after taking into account of the fluctuation of the prices of the Target Shares in the 12 months immediately preceding the date of the Announcement (with the highest closing price at RMB15.99 and the lowest closing price at RMB8.90), the Directors considered that the Relevant Trading Period shall be about two to three calendar months before the date of the Announcement as the prices of the Target Shares during such period could better reflect the prevailing market prices of the Target Shares and the average price during such period is relatively likely to be a price at which the Company can dispose of the Target Shares during the Mandate Period. The prices of the Target Shares long time ago before the date of the Announcement may not be able to reflect the prevailing market prices of the Target Shares, in particular, taking into account that there was significant fluctuation of the prices of the Target Shares in the 12 months immediately preceding the date of the Announcement. The Company would not be able to dispose of the Target Shares under the Possible Disposal if the proposed selling price of the Target Shares offered by the Company is much higher or lower than the then prevailing market price of the Target Shares. In view of the above, the Directors consider that Relevant Trading Period is fair and reasonable.

Whether the Target Shares were to be sold in an open market or through block trades on the Shenzhen Stock Exchange, the transactions would need to be completed within a very short period. The Company therefore would need to obtain the Disposal Mandate to conduct the Possible Disposal.

The Company will take into account of the prevailing market prices of the Target Shares (for instance, the 5 day average closing price of the Target Shares immediately before the relevant placing agreement(s)) and the prevailing market conditions immediately before the proposed disposal date, in particular, the market sentiment (such as whether the market price of the Target Shares would be at its high or whether there would be significant market fluctuations) and the then trading trend of the Target Shares, to determine the optimal timing for executing the Possible Disposal under the Disposal Mandate and to ensure that the execution will maximise returns to the Company. Whilst the Minimum Selling Price represents a discount of 20% to the average closing price of the Target Shares of RMB10.30 (equivalent to approximately HK\$11.07) during the Relevant Trading Period, the Company intends not to dispose of any Target Shares at any significant discount to the then prevailing market price of the Target Shares, unless the market sentiment and the market conditions are not favourable and/or the trading price of the Target Shares is on a declining trend.

Completion of the Possible Disposal

Assuming 20,000,000 Target Shares are all disposed of under the Possible Disposal, immediately upon completion of the Possible Disposal, the Group will hold 155,474,469 Target Shares (excluding the Sale Shares), representing approximately 20.88% of the total issued Target Shares as at the Latest Practicable Date. Before completion of the Possible Disposal, the Target Company is accounted for as an associate of the Company in the consolidated financial statements of the Company using the equity method. After completion of the Possible Disposal, the Target Company will continue to be accounted for as an associate of the Company in the consolidated financial statements of the Company using the equity method.

LETTER FROM THE BOARD

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in the PRC and listed on the Shenzhen Stock Exchange (stock code: 002960). It is principally engaged in the research and development, production and sales of fire safety system products.

As at the Latest Practicable Date, the total number of issued shares of the Target Company was 744,336,753 and the Group held 175,474,469 of such issued shares (excluding the Sale Shares), representing approximately 23.57% of the equity interest in the Target Company. The maximum number of Target Shares to be disposed of by the Group under the Possible Disposal (i.e. 20,000,000 Target Shares) represented approximately 2.69% of the equity interest in the Target Company as at the Latest Practicable Date. The Target Company was established on 16 May 2001 and the Company was one of the initial shareholders of the Target Company who has paid up the then registered capital of the Target Company of RMB7.5 million, representing the then 75% equity interests in the Target Company. Thereafter, the Company has not made any further capital contribution to the Target Company. The original acquisition cost of each Target Share held by the Group as at the Latest Practicable Date were approximately RMB0.04 (equivalent to approximately HK\$0.04).

The audited net profit before taxation and the audited net profit after taxation of the Target Company for the financial year ended 31 December 2022, which were prepared in accordance with the applicable accounting standards in the PRC, were approximately RMB693,130,000 (equivalent to approximately HK\$744,976,000) and approximately RMB599,656,000 (equivalent to approximately HK\$644,510,000) respectively, while the audited net profit before taxation and the audited net profit after taxation of the Target Company for the financial year ended 31 December 2023, which were prepared in accordance with the applicable accounting standards in the PRC, were approximately RMB797,623,000 (equivalent to approximately HK\$857,285,000) and approximately RMB705,822,000 (equivalent to approximately HK\$758,617,000) respectively.

The unaudited net asset value of the Target Company as at 30 June 2024, which was prepared in accordance with the applicable accounting standards in the PRC, was approximately RMB6,263,825,000 (equivalent to approximately HK\$6,732,359,000). The unaudited net asset value per Target Share, based on the unaudited net asset value of the Target Company as at 30 June 2024, amounted to RMB8.42 (equivalent to approximately HK\$9.04).

REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL AND THE DISPOSAL MANDATE

The Company, through its subsidiaries, is principally engaged in the development of travel and leisure business, sales and production of LED devices, investment holding of diversified portfolios and other businesses including trading of metallic products and wine and other related products.

LETTER FROM THE BOARD

Assuming that 20,000,000 Target Shares are all disposed of under the Possible Disposal at the Minimum Selling Price (i.e. RMB8.24 (equivalent to approximately HK\$8.86) per Target Share), immediately upon completion of the Possible Disposal, the Group expects to recognise an unaudited loss of approximately RMB87.1 million (equivalent to approximately HK\$93.6 million) from the Possible Disposal which is calculated with reference to the difference between (i) the total consideration of such Target Shares (i.e. RMB164.8 million (equivalent to approximately HK\$177.1 million)); and (ii) the aggregate of (a) the estimated unaudited carrying amount of the Group's share of the interest in the Target Company as recorded in the Group's accounts as at 30 June 2024 of approximately RMB249.9 million (equivalent to approximately HK\$268.6 million); and (b) the estimated expenses and tax to be incurred by the Group in connection with the Possible Disposal of approximately RMB2.0 million (equivalent to approximately HK\$2.2 million). The actual amount of gain or loss as a result of the Possible Disposal to be recorded by the Group is subject to the carrying amount of the Group's share of the interest in the Target Company as recorded in the Group's accounts at completion of the Possible Disposal, and the review and the final audit to be performed by the Company's auditors.

The Directors expect that immediately upon completion of the Possible Disposal, the net proceeds from the Possible Disposal (assuming that 20,000,000 Target Shares are all disposed of under the Possible Disposal) after deducting the expenses and tax directly attributable thereto, will be approximately RMB162.8 million (equivalent to approximately HK\$175.0 million). It is currently proposed that the net proceeds from the Possible Disposal would be used for repayment of the bank and other borrowings of the Group due to Independent Third Parties with the maturity dates ranging from April 2025 to November 2025, which will enhance the liquidity of the Group.

The Company has considered other alternative fundraising options other than the Possible Disposal such as issue of new shares. The Directors considered that it was difficult to raise funds through issue of new shares under recent market conditions and the issue of new shares would dilute the interests of the Shareholders. The Directors considered that notwithstanding that the Group may suffer unaudited loss of approximately RMB87.1 million (equivalent to approximately HK\$93.6 million) from the Possible Disposal (assuming that the Target Shares are disposed of at the Minimum Selling Price (i.e. RMB8.24 (equivalent to approximately HK\$8.86) per Target Share)), the Possible Disposal is in the interests of the Company and the Shareholders taking into account that the Group could reduce its level of bank and other borrowings and finance costs.

Taking into account that the Disposal Mandate would allow flexibility in effecting disposal(s) of the Target Shares at the appropriate time and price so as to maximise the returns to the Group, the Board proposes to seek the approval of the Disposal Mandate from the Shareholders at the SGM in advance to allow the Directors to dispose of the Target Shares during the Mandate Period. The Board is also of the view that appropriate measures as disclosed above are in place to safeguard the interests of the Company and the Shareholders as a whole for the Possible Disposal.

As the Possible Disposal will be effected through open market and/or the block trade platform of the Shenzhen Stock Exchange, the Directors are of the view that the Disposal Mandate and the Possible Disposal and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Possible Disposal may be more than 75%, the Possible Disposal will constitute a very substantial disposal of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification, announcement and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH RULE 19.68(2)(a)(i) OF THE GEM LISTING RULES

Pursuant to Rule 19.68(2)(a)(i) of the GEM Listing Rules, for this circular which is issued in relation to a very substantial disposal, the Company is required to include financial information of either (a) the Target Company; or (b) the Group with the Target Company being shown separately for the relevant period in this circular. The financial information shall at least include the income statement, balance sheet, cash flow statement and statement of changes in equity ("**Required Financial Information**"), and such financial information must be reviewed by the Company's auditors or reporting accountants according to the relevant accountant standards published by the HKICPA or the International Auditing and Assurance Standards Board of the International Federation of Accountants or the CASB of the China Ministry of Finance ("**VSD Rules Requirements**").

According to Note 2 to Rule 19.68(2)(a)(i) of the GEM Listing Rules, the Stock Exchange may be prepared to relax the VSD Rules Requirements mentioned above if the company being disposed of is not consolidated in the Company's accounts before the disposal.

Background

The Target Company is a company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002960). As at the Latest Practicable Date, the Target Company was owned as to approximately 23.57% by the Company. Prior to completion of the Possible Disposal, the Target Company was accounted for as an associate of the Company in the consolidated financial statements of the Company using the equity method and the financial results of the Target Company have not been consolidated into the financial statements of the Company.

As required by the rules and regulations of the Shenzhen Stock Exchange, the Target Company has published audited consolidated annual financial statements and unaudited consolidated quarterly financial statements, which can be viewed on the website of the Shenzhen Stock Exchange. The consolidated financial statements of the Target Company for the years ended 31 December 2021, 2022 and 2023 have been prepared in accordance with China Accounting Standard for Business Enterprise, which is one of the PRC GAAP and one of the standards published by the China Ministry of Finance, the consolidated financial statements have also been audited by 中興華會計師事務所(特殊普通合伙) (Zhongxinghua Certified Public Accountants LLP) in accordance with the PRC GAAP. The auditors of the Target Company did not issue modified opinion in respect of the audited consolidated financial statements of the Target Company for the three years ended 31 December 2023. The unaudited consolidated financial statements of the Target Company for the nine months ended 30 September 2024 have also been prepared in accordance with the PRC GAAP. All of such financial information is accessible on the website of the Shenzhen Stock Exchange.

LETTER FROM THE BOARD

Waiver sought

Accordingly, the Company applied to the Stock Exchange for waiver from compliance with the VSD Rules Requirements and the Stock Exchange has granted a waiver to the Company from strict compliance with the VSD Rules Requirements on the following grounds:

- (a) given that that the financial statements of the Company and the Target Company are prepared in accordance with the HKFRS issued by the HKICPA and the PRC GAAP, respectively, complying with the VSD Rules Requirements in preparing the financial information of the Target Company in accordance with the HKFRS for inclusion in this circular would be unduly burdensome and costly, as the Company would need to undertake a considerable amount of work and incur additional costs to prepare financial information of the Target Company in accordance with the HKFRS for the financial years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2024 (“**Target Company HKFRS Financial Information**”);
- (b) as the financial statements of the Target Company have not been consolidated with those of the Company, the benefits of the preparation and inclusion of the Target Company HKFRS Financial Information in this circular may not justify the additional work and expenses involved;
- (c) the Target Company is a company whose shares are listed on the Shenzhen Stock Exchange, which has published its audited consolidated financial statements for the years ended 31 December 2021, 2022 and 2023 and its unaudited consolidated financial statements for the nine months ended 30 September 2024 (“**Public Target Financial Statements**”) that were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, while all such financial statements are accessible on the website of the Shenzhen Stock Exchange. The financial information of the Target Company has thus been already made publicly available for its shareholders and the public to review and assess its performance;
- (d) the following information are required in order to perform the review in accordance with Rule 19.68(2)(a)(i) of the GEM Listing Rules:
 - (i) as required by the GEM Listing Rules, the preparation and presentation of the financial information are in accordance with the relevant provisions thereof and HKFRS;
 - (ii) for such internal control that is necessary to enable the preparation of the financial information that are free from material misstatement, whether due to fraud or error; and

LETTER FROM THE BOARD

- (iii) to provide the Company's auditors with:
 - (aa) access to all information of which the Company's auditors are aware that is relevant to the preparation and presentation of the financial information, such as records, documentation and other matters;
 - (bb) additional information that the Company's auditors may request from the Target Company for the purpose of the review; and
 - (cc) unrestricted access to persons within the Target Company from whom the Company's auditors determine them necessary to obtain evidence.

The above are considered to amount to full access to the books and records of the Target Company. The Company has difficulty to obtain the information referred to above as the Target Company does not consider such information are required on a "need" basis for the Company and its auditors to prepare the financial information in accordance with the relevant accountant standards published by the HKICPA or the International Auditing and Assurance Standards Board of the International Federation of Accountants or the CASB of the China Ministry of Finance for the reasons below:

- (1) the Target Company is a company whose shares are listed on the Shenzhen Stock Exchange, which has published the Public Target Financial Statements that were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, and all such financial statements are accessible by the public on the website of the Shenzhen Stock Exchange;
- (2) a line-by-line reconciliation ("**Reconciliation Information**") of the financial information of the Target Company for the three years ended 31 December 2023 and the nine months ended 30 September 2024 for the differences between the PRC GAAP and the HKFRS with explanation reconciliation information, have been reported on by BDO, in accordance with HKSAE3000, and thus provide sufficient assurance in relation to the Target Company's financial statements;
- (3) the Target Company also cooperates with the Company in providing the required financial information of the Target Company for the preparation of the Reconciliation Information;
- (4) it is provided in note (2) of GEM Listing Rules 19.68(2)(a)(i) that the Stock Exchange may be prepared to relax the requirements if the Target Company is not consolidated in the Company's accounts before disposal, and therefore the Target Company is of the view that it is not a "mandatory" requirement for the Company to provide the disclosures pursuant to the VSD Rules Requirements; and
- (5) the Target Company is not a private company and it is not a subsidiary but only an associate of the Company, the Target Company considers that giving the Company and its auditors full access to its books and records is not necessary;

LETTER FROM THE BOARD

- (e) the Company has included the following information in this circular (“**Alternative Disclosure**”) as alternative disclosure to the financial information of the Target Company required to be disclosed under the VSD Rules Requirements:
 - (i) the audited consolidated statements of financial position of the Target Company as at 31 December 2021, 2022 and 2023;
 - (ii) the audited consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Company for the years ended 31 December 2021, 2022 and 2023;
 - (iii) the unaudited consolidated statement of financial position of the Target Company as at 30 September 2024;
 - (iv) the unaudited consolidated statement of profit or loss and other comprehensive income and consolidated statements of cash flows of the Target Company for the nine months ended 30 September 2024;
 - (v) the Reconciliation Information; and
 - (vi) a confirmation from the Company that there are immaterial differences between the accounting policies adopted in the preparation of the Public Target Financial Statements and the accounting policies adopted by the Company which comply with the HKFRS.

Taking into account that:

- (a) the Alternative Disclosure has included (i) the Public Target Financial Statements; and (ii) the Reconciliation Information;
- (b) the Public Target Financial Statements were prepared in accordance with the PRC GAAP and the rules and regulations of the Shenzhen Stock Exchange, and have been already made publicly available for the shareholders of the Target Company and the public to review and assess the performance of the Target Company; and
- (c) the Reconciliation Information, which sets out the differences in the accounting standards and policies adopted by the Company and the Target Company in respect of the Published Financial Information of the Target Group, have been reported on by BDO in accordance with HKSAE 3000, and thus provide assurance in relation to the Published Financial Information of the Target Group;

LETTER FROM THE BOARD

the Company considers that the Alternative Disclosure would broadly commensurate in all material aspects to the disclosure that would otherwise have been provided if the financial information of the Target Company had to be prepared under the HKFRS under Rule 19.68(2)(a)(i) of the GEM Listing Rules, the Alternative Disclosure are therefore sufficient for the Shareholders to assess the financial position of the Target Company and to make an informed decision of the Possible Disposal, and the granting of the Waiver would be in the interest and benefit of the Company and the Shareholders, would not constitute omission of significant information which would be prejudicial to the interests of the Shareholders, and would not result in undue risks to the Shareholders.

THE SGM

The SGM is convened to be held at 10:30 a.m. on Tuesday, 21 January 2025 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC, for the Shareholders to consider and, if thought fit, approve the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder. The notice of the SGM is set out on pages SGM-1 to SGM-4 of this circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder and therefore, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the SGM.

The form of proxy for use at the SGM is on the website of the Company at www.jbu.com.cn and the website of the Stock Exchange at www.hkexnews.hk. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's share registrar in Hong Kong (for holders of H Shares) or the principal place of business of the Company in Beijing (for holders of Non-listed Shares) by 10:30 a.m. on Monday, 20 January 2025 or not less than 24 hours before the time appointed for holding any adjournment of the SGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM or any of such adjourned meeting if you so wish.

RECOMMENDATION

The Directors consider that the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular. The Shareholders are advised to read the appendices before deciding as to how to vote on the resolution approving the Possible Disposal and the Disposal Mandate and the transactions contemplated thereunder.

On behalf of the Board

Beijing Beida Jade Bird Universal Sci-Tech Company Limited

Zheng Zhong

Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2023 including the notes thereto, are disclosed in the following documents which have been published on the website of the Company at www.jbn.com.cn and the website of the Stock Exchange at www.hkexnews.hk:

- (i) annual report of the Company for the year ended 31 December 2023 published on 18 April 2024 (pages 61 to 209);
- (ii) annual report of the Company for the year ended 31 December 2022 published on 31 March 2023 (pages 59 to 209);
- (iii) annual report of the Company for the year ended 31 December 2021 published on 31 March 2022 (pages 58 to 201); and
- (iv) interim report of the Company for the six months ended 30 June 2024 published on 11 August 2024 (pages 2 to 23).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

Secured bank loans

As at 31 October 2024, the Group had outstanding guaranteed and secured bank loans of approximately RMB426.4 million, which were secured by (i) the pledge of the property, plant and equipment (being building, motor vehicles, construction in progress, right-of-use assets) with carrying amount of approximately RMB365.0 million, investment properties with carrying amount of approximately RMB146.4 million and other intangible assets (being operating concession for shuttle bus services) with carrying amount of approximately RMB59.5 million of the Group provided by the subsidiaries of the Company; and (ii) the corporate guarantee given by the Company and its subsidiary.

Secured other loans

As at 31 October 2024, the Group had outstanding unguaranteed and secured other loans of approximately RMB536.3 million, which were secured by the equity interest of the Target Company, an associate of the Company with carrying amount of approximately RMB1,307.6 million provided by the Company.

Unsecured bank loans

As at 31 October 2024, the Group had outstanding guaranteed and unsecured bank loans of approximately RMB6.0 million.

Unsecured other loans

As at 31 October 2024, the Group had outstanding unguaranteed and unsecured other loans of approximately RMB18.5 million.

Lease liabilities

As at 31 October 2024, the Group had lease liabilities of approximately RMB3.6 million.

Amounts due to related parties

As at 31 October 2024, the Group had amounts due to related parties with principal amount of approximately RMB6.3 million, which were neither secured nor guaranteed.

Financial guarantee contracts

As at 31 October 2024, the Group had made provision of approximately RMB100.0 million on the financial guarantee in respect of bank borrowings to an associate of the Group. The financial guarantee has not been recognized as a financial liability of the Company at the time the financial guarantee was issued as its fair value was considered as insignificant.

Charge on assets

As at 31 October 2024, the Group's certain fixed assets with carrying amount of approximately RMB365.0 million, investment properties with carrying amount of approximately RMB146.4 million and equity interest of an associate were pledged as securities for the Group's bank and other loans.

Contingent liabilities

The Group had contingent liabilities in the sum of approximately RMB100.0 million in respect of guarantee for banking facilities granted to an associate of the Company, which was same as disclosed in the section headed "Financial guarantee contracts" above, by taking into consideration of the maximum liability of the Group under the financial guarantee issued by the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 October 2024.

General

Save as aforesaid or as otherwise disclosed in this circular, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any debt securities issued and outstanding or authorized or otherwise created but unissued, term loans, other borrowings, lease obligations or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding as at 31 October 2024.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration and taking into account of the financial resources presently available to the Group and the effect of the Possible Disposal, are of the opinion that the Group will have sufficient working capital for its requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

Reference is made to the announcements of the Company dated 30 September 2024 and 14 November 2024, on 30 September 2024, the Company and Mr. Cai agreed to terminate the Supplement Agreement with effect from 30 September 2024; and the Company served a termination notice on Mr. Cai to terminate the Share Transfer Agreement and claim Mr. Cai for compensation for his default. The Company has requested Mr. Cai to (a) return to the Company the Sale Shares; (b) return to the Company the dividend income in the aggregate amount of RMB33,899,500 (equivalent to approximately HK\$36,435,000) attributable to the Sale Shares paid by the Target Company in May 2023 and April 2024; and (c) pay to the Company compensation in the sum equal to 20% of the Consideration (i.e. RMB220,369,200 (equivalent to approximately HK\$236,853,000)). Upon the termination of the Share Transfer Agreement, the Company shall return to Mr. Cai such part of the Consideration paid by Mr. Cai without interest (i.e. RMB220,369,200 (equivalent to approximately HK\$236,853,000)).

On 14 November 2024, the Company made application for arbitration with the Beijing Arbitration Commission for, among others, the return of Sales Shares by Mr. Cai to the Company through judicial transfer, in order to resolve the issues in relation to the termination of the Share Transfer Agreement.

As the Latest Practicable Date, save as disclosed in the interim report of the Company for the six months ended 30 June 2024 and disclosed above, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS

Looking ahead, it is expected that the global growth will continue to be sluggish in 2025, during which the overall prospects of the industry and the operating environment of the Group will be full of challenges. It is expected that the Group will encounter reduced domestic consumer spending and lower demand for its products and services. To cope with such challenges, the Group would implement measures, including closely monitoring and controlling its costs and improving its operating efficiency; and expanding its businesses into new customer segments and product portfolios, to maintain its profitability and competitive edge in the market. For the year ending 31 December 2025, it is expected that the level of the bank and other borrowings of the Group would be reduced upon the completion of the Possible Disposal (assuming that the 20,000,000 Target Shares will all be disposed of under the Possible Disposal), and the above measures will have a positive impact on the performance of the Group's business. The Group would continue to exercise prudence in exploring potential and favorable investments with the objective of balancing and diversifying the Group's investment portfolio and bringing about capital appreciation with the view to maximizing the value to the Shareholders.

6. FINANCIAL EFFECT OF THE POSSIBLE DISPOSAL

As at the Latest Practicable Date, the Company held 175,474,469 Target Shares, which representing approximately 23.57% equity interests in the Target Company. Upon completion of the Possible Disposal (assuming all 20,000,000 Target Shares are disposed of under the Possible Disposal), the Company will hold 155,474,469 Target Shares, representing approximately 20.88% equity interests in the Target Company.

The financial effects of the Possible Disposal (assuming all 20,000,000 Target Shares are disposed of under the Possible Disposal) on the Group's net asset value and earnings are set out below:

Assets and liabilities

Based on the unaudited pro forma financial position of the Group as set out in Appendix III to this circular which has been prepared as if 20,000,000 Target Shares are all disposed of under the Possible Disposal at the Minimum Selling Price and the Possible Disposal had been completed on 30 June 2024, upon the completion of the Possible Disposal, the unaudited pro forma consolidated total assets of the Group would decrease by approximately RMB87.1 million (equivalent to approximately HK\$93.6 million) and the unaudited pro forma consolidated total liabilities would remain unchanged as a result of the Possible Disposal.

Earnings

As set out in the paragraph headed "Reasons for and benefits of the Possible Disposal and the Disposal Mandate" in the letter from the Board in this circular, assuming that 20,000,000 Target Shares are all disposed of under the Possible Disposal at the Minimum Selling Price (i.e. RMB8.24 (equivalent to approximately HK\$8.86) per Target Share), immediately upon completion of the Possible Disposal, the Group expects to recognise an unaudited loss ("**Expected Disposal Loss**") of approximately RMB87.1 million (equivalent to approximately HK\$93.6 million) from the Possible Disposal which is calculated with reference to the difference between (i) the total consideration of such Target Shares (i.e. RMB164.8 million (equivalent to approximately HK\$177.1 million)); and (ii) the aggregate of (a) the estimated unaudited carrying amount of the Group's share of the interest in the Target Company as recorded in the Group's accounts as at 30 June 2024 of approximately RMB249.9 million (equivalent to approximately HK\$268.6 million); and (b) the estimated expenses and tax to be incurred by the Group in connection with the Possible Disposal of approximately RMB2.0 million (equivalent to approximately HK\$2.2 million).

In addition, according to the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, assuming 20,000,000 Target Shares are all disposed of under the Possible Disposal at the Minimum Selling Price and the Possible Disposal had been completed on 1 January 2023, the earnings of the Group would decrease by approximately RMB180.1 million (equivalent to approximately HK\$116.2 million), given that (1) the Group expects to recognize an unaudited loss ("**Proforma Disposal Loss**") of approximately RMB150.9 million (equivalent to approximately HK\$162.2 million) from the Possible Disposal which is calculated with reference to the difference between (i) the total consideration for the Possible Disposal of approximately RMB164.8 million (equivalent to approximately HK\$177.1 million); and (ii) the aggregate of (aa)

the Group's share of estimated unaudited carrying amount of interest in the Target Company as recorded in the Group's accounts as at 1 January 2023 of approximately RMB313.7 million (equivalent to approximately HK\$337.2 million); and (bb) the estimated expenses and tax to be incurred in connection with the Possible Disposal of approximately RMB2.0 million (equivalent to approximately HK\$2.2 million); and (2) the Group's share of profit of associates is expected to be decreased by approximately RMB29.2 million (equivalent to approximately HK\$31.4 million).

The difference between the Expected Disposal Loss and the Proforma Disposal Loss above is attributable to the difference between (1) the carrying value of the Group's share of the interest in the Target Company as at 30 June 2024 (used in determining the Expected Disposal Loss) and the carrying value of the Group's share of the interest in the Target Company as at 1 January 2023 (used in determining the Proforma Disposal Loss); and (2) the number of total issued Target Shares as at the Latest Practicable Date (used in determining the Expected Disposal Loss) and the number of total issued Target Shares as at 1 January 2023 (used in determining the Proforma Disposal Loss), resulting in different shareholding percentage attributable to 20,000,000 Target Shares to be disposed of under the Possible Disposal as at such dates. The actual amount of gain or loss as a result of the Possible Disposal to be recorded by the Group is subject to the Group's share of carrying amount of interest in the Target Company as recorded in the Group's accounts at completion of the Possible Disposal and the review and the final audit to be performed by the Company's auditors.

7. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Set out below is the management discussion and analysis of the Group for the three years ended 31 December 2023 and the six months ended 30 June 2024. The financial data in respect of the Group, for the purpose of this circular, are derived from the consolidated financial statements of the Company for the three years ended 31 December 2023 and the six months ended 30 June 2024.

(a) Business and financial review for the six months ended 30 June 2024

BUSINESS REVIEW

Tourism development

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzishan.

As a result of the increase in number of days with extreme weather and heavy rainfall during the first half of 2024, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was decreased by about 25.6% year-on-year for the six months ended 30 June 2024.

Investment holding

As at 30 June 2024, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises in the PRC and are private enterprises principally engaged in semiconductor materials and display devices businesses, the investment in the Target Company and the investments in financial assets at fair value through other comprehensive income ("FVTOCI") and at fair value through profit or loss ("FVTPL") including listed companies in Hong Kong and private companies in the PRC and Hong Kong and a close-end segregated portfolio of an investment fund.

Reference is made to the announcement of the Company dated 9 January 2024, the Company made a successful bid for the 25% equity interest of Shanghai Shengjin in the public auction at a consideration of RMB106,690,000. Shanghai Shengjin is principally engaged in investment holding, focusing on investment in innovative and high-growth enterprises in industries of new materials, energy conservation, environmental protection and high-end equipment manufacturing, and in provision of investment consultancy and enterprise management services. The Board considered that the acquisition represented a good investment opportunity and was in line with the Group's vision to invest in target companies or businesses with promising outlook and prospects. Upon the completion taken place in April 2024, the aggregate equity interest of Shanghai Shengjin held by the Group increased from 45% to 70%. Shanghai Shengjin became a non-wholly owned subsidiary of the Company and its financial results was consolidated into the results of the Group.

Reference is made to the announcements of the Company dated 21 November 2022 and 13 May 2024, and the circulars of the Company dated 10 March 2023 and 23 July 2024. On 21 November 2022, the Company and Mr. Cai, who is an independent third party of the Company, entered into the Share Transfer Agreement pursuant to which the Company has conditionally agreed to sell, and Mr. Cai has conditionally agreed to purchase, 44,900,000 Sale Shares, representing then 7.49% of equity interests in the Target Company at the Consideration. The transfer of such Sale Shares was completed on 5 May 2023.

Mr. Cai has only settled 20% of the Consideration (i.e. RMB220,369,200) and RMB881,476,800 of the Consideration remained outstanding. On 13 May 2024, the Company, Mr. Cai and Mr. Tsang Desheng ("**Transfer Party**"), an independent third party, entered into the Supplemental Agreement to amend certain terms of the Share Transfer Agreement, pursuant to which the Company and Mr. Cai have conditionally agreed to amend the payment terms of the Consideration so that the outstanding Consideration, the related interests and liquidated damages, shall be settled by way of transfer to the Company of the Target Shares by Mr. Cai and the Transfer Party and/or by way of cash on the revised payment dates. Pursuant to the Supplemental Agreement, Mr. Cai and the Transfer Party shall sign and deliver to the Company the securities non-trading transfer registration forms; and Mr. Cai shall pledge 26,100,000 Target Shares in favour of the Company.

The transfer of the Target Shares from Mr. Cai and the Transfer Party to the Company under the Supplemental Agreement constituted a very substantial acquisition of the Company under the GEM Listing Rules, which shall be subject to the Shareholders approving the Supplemental Agreement and the transactions contemplated thereafter at a special general meeting of the Company held by the Company on 15 August 2024.

Sales and production of LED devices

The Company, through its non-wholly owned subsidiary, is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, focusing on the research and development and manufacturing of special light sources such as automotive, stage, curing, flash and plant growth. The products manufactured include car lamp series, mobile lighting series, color light series, etc..

Trading of metallic products

During the period, the Group is engaged in sales and purchases of metallic products in the PRC.

Other businesses

The Group operated a winery, namely The Winery at la Grange, at the State of Virginia, the United States, which owned a vineyard and is principally engaged in the production and sales of wine and related products.

Reference is made to the announcement of the Company dated 25 June 2024, the Company entered into the equity transfer agreement with independent third parties, pursuant to which the Company has conditionally agreed to acquire 70% equity interest in Beijing Jade Bird Vocational Education Technology Development Co., Ltd. (“**Jade Bird Vocational Education**”) at the consideration of RMB13,054,150. Jade Bird Vocational Education is principally engaged in the development and provision of educational programmes comprising syllabus, teaching manuals, student books, teaching guides, PowerPoints for teaching, coursework, etc. through collaboration with educational institutes. The Board considered that the acquisition represented a good opportunity to diversify the Group’s business into the development of the vocational education business, in view of the promising future prospect of the vocational education industry, taking into account the strong demand from the large number of high school and college graduates in the PRC each year for vocational education for enhancing their employability, which could further expand the source of the Group’s operating income and bring returns to the Shareholders. Upon the completion to be taken place, Jade Bird Vocational Education will become a non-wholly owned subsidiary of the Company and its financial results would be consolidated into the results of the Group.

FINANCIAL REVIEW**Tourism development**

During the period, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the six months ended 30 June 2024, the Group's tourism development business recorded revenue of approximately RMB56.4 million (2023: RMB74.9 million), representing a decrease by 24.7% when compared with the corresponding period of 2023. Such decrease was mainly attributable to the increase in number of days with extreme weather and heavy rainfall during the period under review.

Investment holding

The segment total assts of the investment holding business of the Group increased by 8.9% to approximately RMB4,070.3 million as at 30 June 2024 (31 December 2023: RMB3,738.2 million). Such increase was mainly attributable to the consolidation of the financial results of Shanghai Shengjin into the Group's results since the completion of the acquisition of the 25% equity interest of Shanghai Shengjin in April 2024.

Sales and production of LED devices

During the six months ended 30 June 2024, revenue generated from the Group's sales and production of LED devices business amounted to approximately RMB25.6 million (2023: RMB24.2 million), representing an increase by 6.1% year-on-year.

Trading of metallic products

For the six months ended 30 June 2024, revenue generated from the Group's trading of metallic products business amounted to approximately RMB128.6 million (2023: RMB126.3 million), representing an increase by 1.8% year-on-year. The gross margin was 2.1% (2023: 2.4%) during the period.

Other businesses

For the six months ended 30 June 2024, revenue generated from Group's winery business amounted to approximately RMB4.3 million (2023: RMB4.2 million), which remained stable.

Revenue and gross profit

For the six months ended 30 June 2024, total revenue recorded by the Group amounted approximately RMB214.8 million (2023: RMB229.6 million), representing a decrease of 6.4% compared with the corresponding period of 2023, and the gross profit was decreased by 32.6% to approximately RMB31.8 million (2023: RMB47.2 million). Such decrease in the Group's total revenue and gross profit was mainly attributable to the performance of the Group's tourism development business affected by the extreme weather during the period under review.

Gain on partial disposal of an associate

During the six months ended 30 June 2023, the Group recognized a gain of approximately RMB365.5 million upon the completion of the partial disposal of the Target Company, an associate of the Group in May 2023.

Loss on disposal of an associate

During the six months ended 30 June 2023, the Group recognized loss on disposal of associates of approximately RMB32.0 million mainly as a result of the disposal of its 40% equity interest in Beijing Jade Bird Hengsheng Investment Fund (Limited Partnership) (“**HS Fund**”), a then associate of the Group.

Finance costs

Finance costs were approximately RMB23.4 million (2023: RMB22.2 million), which mainly represented interest on bank and other loans raised by the Group, the interest on lease liabilities in relation to various offices and plant leased by the Group and net foreign exchange difference.

Share of profit of associates

For the six months ended 30 June 2024, the Group's share of profit of associates amounted to approximately RMB22.9 million (2023: RMB71.3 million), representing a decrease of 67.9% years-on-year. Such decrease was mainly attributable to the unsatisfactory financial performance of the Group's associates affected by the sluggish domestic demand and the decrease in the Group's proportional share of the results of the Target Company after the partial disposal of equity interests in the Target Company held by the Company which was completed in May 2023.

Share of loss of joint ventures

For the six months 30 June 2024, the Group's share of loss of joint ventures amounted to approximately RMB54,000 (2023: RMB2.1 million).

Income tax expense

Income tax expense was approximately RMB2.2 million (2023: RMB10.2 million) during the period. It mainly represented the net provision of corporate income tax of approximately RMB2.7 million (2023: RMB10.7 million) and the deferred tax credit of approximately RMB0.5 million (2023: RMB0.5 million) recognized by the Group in the PRC.

Loss/profit attributable to the owners of the Company

The Group recorded a loss attributable to the owners of the Company of approximately RMB6.0 million for the six months ended 30 June 2024 as compared with a profit attributable to the owners of the Company of approximately RMB377.3 million for the six months ended 30 June 2023. The turnaround from profit to loss was mainly attributable to the combined effects of the following: (i) the gain on partial disposal of an associate of approximately RMB365.5 million recorded for the six months ended 30 June 2023 as a result of the Group's disposal of the Sales Shares, which was absent in the six months ended 30 June 2024; (ii) the loss on disposal of an associate of approximately RMB32.0 million recorded for the six months ended 30 June 2023 as a result of the Group's disposal of its 40% equity interest in HS Fund, which was absent in the six months ended 30 June 2024; and (iii) the decrease in the share of profit of associates to approximately RMB22.9 million as compared with that for the six months ended 30 June 2023 of approximately RMB71.3 million.

Financial position

As at 30 June 2024, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans to total equity), which are the key position and financial leverage, were 1.19 (31 December 2023: 1.35) and 24.8% (31 December 2023: 23.3%) respectively. Decrease in the current ratio was mainly due to increase in the current liabilities as a result of the increase in trade payables as at 30 June 2024. Increase in the gearing ratio was mainly due to the raise of additional bank and other loans for business operations during the period. The Group has been actively negotiating with banks and other borrowers for new loans and renewal of current existing loans in order to cope with the business operations and expansion.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2024, save as disclosed above, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2024, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB176.2 million, which were denominated mainly in RMB, Hong Kong dollars (“**HK\$**”) and US dollars (“**USD**”).

As at 30 June 2024, the Group had net assets of approximately RMB3,906.7 million. The Group had total outstanding borrowings of approximately RMB968.3 million which consisted of guaranteed and secured bank loans of approximately RMB379.7 million, guaranteed and unsecured bank loans of approximately RMB6.0 million, unguaranteed and secured other loans of approximately RMB564.1 million and unguaranteed and unsecured other loans of approximately RMB18.5 million; of which approximately RMB627.4 million, RMB45.5 million, RMB131.4 million and RMB164.0 million were repayable within one year, from one to two years, from two to five years and more than five years respectively; and of which approximately RMB662.3 million and RMB306.0 million were arranged at fixed interest rates and at floating interest rates respectively. The bank and other loans were denominated in RMB and bore interest rates ranging from nil to 5.5% per annum.

As at 30 June 2024, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,464,000 shares respectively.

The gearing ratio of the Group as at 30 June 2024, which is measured by total loans to total equity, was 24.7% (31 December 2023: 23.3%).

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2024, the Group held financial assets at FVTOCI and at FVTPL of totalling approximately RMB691.9 million, representing 12.6% of the total assets of the Group, which mainly comprised of:

14.04% equity interest in Shanghai Xianyao Display Technology Co., Ltd. (“**Shanghai Xianyao**”) with investment cost of RMB140.0 million at fair value of approximately RMB652.6 million, representing 11.9% of the total assets of the Group as at 30 June 2024. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, project derives and lightening devices. There is an increase in fair value of approximately RMB1.5 million included in other comprehensive income for the period.

The investment strategy adopted by the Group is to diversify its assets and businesses into those with promising outlook and prospects to spread the risks, capitalise on different market opportunities and broaden the Group's income sources. In particular, the Company plans to identify and secure investment targets which are engaged in travel and leisure business and innovative and high-tech enterprises in industries of new materials, semiconductor products and technology and high-end equipment manufacturing, etc., which is in line with the principal business of the Group, so as to enhancing the Group's competitive position in the travel and leisure business as well as the semiconductor industry and the LED industry. Investment holding is one of the core businesses of the Group, and the Group strives to identify promising investment opportunities. The Group considered the optimistic future prospect of market of display devices and optoelectronic products, as well as the quality of the non-performance financial assets in Hong Kong and expected that the performance of the Group's investment holding business will be benefited. The Group will carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, the Group did not have any significant investment plans as at 30 June 2024.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB100 million in respect of guarantee for banking facilities granted to an associate of the Company.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 30 June 2024.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, RMB, HK\$, Canadian dollars and Euro. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 30 June 2024, the Group's certain fixed assets with carrying amount of approximately RMB197.4 million (31 December 2023: RMB248.7 million), investment properties with carrying amount of approximately RMB384.1 million (31 December 2023: RMB199.1 million) and bank deposit of approximately RMB0.3 million (31 December 2023: RMB1.3 million) were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

The Group considers people as the valuable assets. The Directors are of the view that the Group maintains good working relations with its employees. The Group had workforce of 615 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, down 3.6% since the end of 2023. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group emphasizes on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs are free to set up trade union according to applicable laws while the supervisory committee of the Company had representative from the workforce.

Director's emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The remuneration of the Directors is determined having regard to each of their duties and responsibilities in the Company.

The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB32.9 million for the six months ended 30 June 2024 (2023: RMB34.5 million).

(b) Business and financial review for the year ended 31 December 2023**BUSINESS REVIEW****Tourism development**

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain. For the year under review, the Group renewed its transport operation license for operation of transport at the tourist area at Nanyue District for another 6 years from 2023 to 2029.

As a result of the relaxation of the policies and measures implemented by the government of the PRC to deter the novel coronavirus pneumonia epidemic (“**Epidemic**”) in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was increased by about 90.4% year-on-year for the year ended 31 December 2023.

Reference is made to the announcements of the Company dated 15 May 2020, 26 June 2020 and 3 September 2021 and the circular of the Company dated 30 June 2020. On 15 May 2020, the Company entered into the sale and purchase agreement (“**SP Agreement**”) with an independent third party (“**Chuanqi Purchaser**”) and Chuanqi Tourism Investment Co., Ltd (“**Chuanqi Tourism**”), a then non-wholly owned subsidiary of the Company, for the disposal of the 60% equity interest in Chuanqi Tourism (“**Chuanqi Sale Interest**”) held

by the Company at the consideration of RMB172,028,880 (“**Chuanqi Disposal**”); and the guarantee fee arrangement in relation to the release of the guarantee agreement (“**Guarantee Agreement**”) executed by the Company and the banks dated 31 January 2013 which secured the obligations of Changsha Songya Lake Construction Investment Co., Ltd. (“**Songya Lake Construction**”), under a facility agreement. The release of the Guarantee Agreement shall be arranged within 12 months from the equity transfer date through negotiation with the banks. The completion of the Chuanqi Disposal took place on 3 September 2020.

The Guarantee Agreement was released during the year under review, but as at 31 December 2023, the remaining balance of the consideration of approximately RMB142.0 million (“**Consideration Balance**”) remained outstanding. The Chuanqi Purchaser recently proposed to the Company that it shall pay the Consideration Balance in the fourth quarter of 2024.

Taking into account that (i) the Chuanqi Purchaser has pledged the Chuanqi Sale Interest in favour of the Company and the Chuanqi Tourism has pledged all shares in Songya Lake Construction in favour of the Company; and (ii) the Chuanqi Purchaser has been paying the interest accrued on the Consideration Balance overdue in accordance with the SP Agreement, the Company currently has no intention to terminate the SP Agreement. However, the Company will closely monitor the status of payment of the Consideration Balance and will make further announcement(s) to update the Shareholders and the investors of the Company of any material development as and when appropriate.

Investment holding

As at 31 December 2023, the Group’s investment holding business mainly included investments in a subsidiary, the associates and joint ventures which are private equity funds with equity investments in private enterprises in the PRC and are private enterprises principally engaged in semiconductor materials and display devices businesses, the investment in the Target Company, a A share listed company in the PRC and the investments in financial assets at FVTOCI and at FVTPL including listed companies in Hong Kong and private companies in the PRC and Hong Kong and a close-end segregated portfolio of an investment fund.

During the second quarter of 2023, the Group disposed of its 40% equity interest in HS Fund to an independent third party at the consideration of RMB15,484,000 in cash, having considered the prospects of the investments held by HS Fund. HS Fund ceased to be an associate of the Group, and the Group recorded a loss on disposal of an associate of approximately RMB28.5 million for the year ended 31 December 2023.

Reference is made to the announcements of the Company dated 21 November 2022 and 29 March 2023 and the circular of the Company dated 10 March 2023. On 21 November 2022, the Company and Mr. Cai, who is an independent third party of the Company, entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to sell, and Mr. Cai has conditionally agreed to purchase, the Sales Shares at the Consideration. The partial disposal of the Company's equity interests in the Target Company constituted a very substantial disposal of the Company under the GEM Listing Rules. The approval of the Shareholders in respect of the Share Transfer Agreement and the transaction contemplated thereunder was obtained at the special general meeting of the Company held on 29 March 2023. Upon the completion of such disposal which was taken place on 5 May 2023, the Company recognized a gain of partial disposal of an associate of approximately RMB365.5 million for the year ended 31 December 2023 and held approximately 23.15% equity interest in the Target Company as at 31 December 2023. The Target Company continued to be accounted as an associate of the Company in the consolidated financial statements of the Company using the equity method.

As at 31 December 2023, the Purchaser has only settled 20% of the Consideration (i.e. RMB220,369,200) and RMB881,476,800 of the Consideration remained outstanding. The Group recorded an impairment loss on the receivable due from the Purchaser of approximately RMB144.3 million for the year ended 31 December 2023.

Reference is made to the announcement of the Company dated 28 December 2023, Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited ("**Beida Cayman Development**"), a wholly-owned subsidiary of the Company and Huarong International Special Investment Fund SPC ("**Fund**"), a segregated portfolio company under the laws of the Cayman Islands entered into the subscription agreement, pursuant to which Beida Cayman Development agreed to subscribe for the participating shares in the capital of the Fund attributable to Fund V SP ("**Segregated Portfolio**"), a closed-end segregated portfolio of the Fund at a total subscription amount of HK\$40 million. Taking into account (i) the investment focus of the Segregated Portfolio being on non-performing assets from the banks and financial institutions in Hong Kong; (ii) the Board's confidence in the quality of the non-performing financial assets in the Hong Kong market; and (iii) the lack of such type of financial assets in the portfolios of the Group, the Board considered that the subscription provided the Group with an opportunity to balance and diversify its investment portfolios and capture potential capital appreciation in the future, which would strengthen the investment holding business of the Group.

Reference is made to the announcement of the Company dated 9 January 2024, the Company made a successful bid for the 25% equity interest of Shanghai Shengjin in the public auction at a consideration of RMB106,690,000. Shanghai Shengjin is principally engaged in investment holding, focusing on investment in innovative and high-growth enterprises in industries of new materials, energy conservation, environmental protection and high-end equipment manufacturing, and in provision of investment consultancy and enterprise management services. The Board considered that the acquisition represented a good investment opportunity and was in line with the Group's vision to invest in target companies or businesses with promising outlook and prospects. Upon the completion to be taken place, the aggregate equity interest of Shanghai Shengjin held by the Group will increase from 45% to 70%. Shanghai Shengjin will become a non-wholly owned subsidiary of the Company and its financial results would be consolidated into the results of the Group.

Trading of metallic products

During the year, the Group is engaged in sales and purchases of metallic products in the PRC. The Group continues to explore more opportunities to expand its source of income.

Sales and production of LED devices

The Company, through its non-wholly owned subsidiary acquired in April 2022 namely Guangdong Lumen is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, focusing on the research and development and manufacturing of special light sources such as automotive, stage, curing, flash and plant growth. The products manufactured include car lamp series, mobile lighting series, color light series, etc..

Other businesses

The Group operated a winery, namely The Winery at la Grange, at the State of Virginia, the United States, which owned a vineyard and is principally engaged in the production and sales of wine and related products.

FINANCIAL REVIEW**Tourism development**

During the year, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the year ended 31 December 2023, the Group's tourism development business recorded revenue of approximately RMB187.4 million (2022: RMB86.6 million), representing an increase by 116.3% when compared with the corresponding period of 2022. Such increase was mainly attributable to the relaxation of the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC.

Investment holding

The segment total assets of the investment holding business of the Group increased by 0.3% to approximately RMB3,738.2 million as at 31 December 2023 (2022: RMB3,725.2 million).

Sales and production of LED devices

The financial results of Guangdong Lumen have been consolidated with the results of the Company since the completion of its acquisition in April 2022. During the year ended 31 December 2023, revenue generated from Guangdong Lumen amounted to approximately RMB49.6 million (2022: RMB32.7 million).

Trading of metallic products

For the year ended 31 December 2023, revenue generated from the Group's trading of metallic products business amounted to approximately RMB320.6 million (2022: RMB147.2 million), representing an increase by 117.8% year-on-year. The increase was mainly attributable to the increase in orders entered by the Group with the recovery of the economy and the market after the Epidemic. The gross margin was 2.2% (2022: 2.3%) during the year.

Other businesses

Revenue generated from the business of production and sales of wine and related products amounted to approximately RMB8.7 million (2022: RMB9.6 million), which was insignificant to the Group's total revenue.

Revenue and gross profit

The business and financial performance of the Group has been improved since the relaxation and removal of the Epidemic restrictions by the government of the PRC in December 2022. For the year ended 31 December 2023, as a result of the increase in fare revenue of the environmental shuttle bus service generated by the Group's tourism development business and the increase in volume of the Group's trading of metallic products business, total revenue recorded by the Group amounted to approximately RMB566.4 million (2022: RMB276.2 million), representing an increase of 105.1% compared with the corresponding period of 2023, and the gross profit was increased by 224.1% to approximately RMB124.4 million (2022: RMB38.4 million).

Impairment loss on trade and other receivables

It mainly comprised of: (i) the impairment loss on the receivable of approximately RMB144.3 million in relation to the partial disposal of the Target Company (2022: Nil); and (ii) the impairment loss on the receivable of approximately RMB28.7 million in relation to the disposal of Chuanqi Tourism (2022: RMB10.0 million).

Such impairment loss on other receivables were mainly assessed in accordance with the Hong Kong Financial Reporting Standards, in particular, HKFRS 9 Financial Instruments, using general approach. The amount of impairment loss on other receivables mentioned above were arrived at by multiplying the amount of the other receivables by the relevant credit loss rate, which were determined by reference to the probabilities of default and the loss given default, taking into account of the time value of money. There was no change in the method used in the impairment analysis, as compared with those used in the year ended 31 December 2022.

Loss/gain on deemed partial disposal of an associate

Loss on deemed partial disposal of an associate of approximately RMB23.3 million (2022: gain of approximately RMB220.2 million) was recognized by the Group for the year ended 31 December 2023 as a result of issue of new shares by the Target Company, the associate of the Group, under its share rewards and option schemes. In 2022, the Target Company issued new shares under its non-public share offering in addition to its share rewards and option schemes.

Gain on partial disposal of an associate

During the year ended 31 December 2023, the Group recognized a gain of approximately RMB365.5 million (2022: Nil) upon the completion of the partial disposal of the Target Company, an associate of the Group in May 2023.

Loss on disposal of associates

During the year ended 31 December 2023, the Group recognized loss on disposal of associates of approximately RMB29.5 million (2022: Nil) mainly as a result of the disposal of its 40% equity interest in HS Fund.

Finance costs

Finance costs were approximately RMB53.9 million (2022: RMB34.8 million), which mainly represented interest on bank and other loans raised by the Group, the interest on lease liabilities in relation to various offices and plant leased by the Group and net foreign exchange gain.

Share of profit of associates

For the year ended 31 December 2023, the Group's share of profits of associates amounted to approximately RMB150.0 million (2022: RMB178.4 million), representing a decrease of 15.9% years-on-year. Such decrease was mainly attributable to the decrease in the Group's proportional share of the results of the Target Company after the partial disposal of equity interests in the Target Company held by the Company.

Share of loss/profit of joint ventures

For the year ended 31 December 2023, the Group's share of loss of joint ventures amounted to approximately RMB3.9 million (2022: profit of approximately RMB18.8 million). The turnaround from profit to loss was mainly attributable to the unsatisfactory performance of the joint ventures of the Group during the year.

Income tax expense/credit

Income tax expense was approximately RMB17.9 million (2022: credit of approximately RMB2.0 million) during the year. It mainly represented the net provision of corporate income tax of approximately RMB23.3 million (2022: RMB2.7 million) and the deferred tax credit of approximately RMB5.4 million (2022: RMB4.7 million) recognized by the Group in the PRC.

Profit attributable to owners of the Company

The Group recorded the decrease in profit attributable to owners of the Company by 41.4% to approximately RMB195.2 million (2022: RMB333.4 million) for the year ended 31 December 2023, mainly because of the combined effects of the following: (i) the gain on partial disposal of an associate of approximately RMB365.5 million for the year ended 31 December 2023 (2022: Nil) as a result of the Group's partial disposal of the Target Company; (ii) the gain on deemed disposal of an associate of approximately RMB220.2 million recorded for the year 31 December 2022, which was absent in the year ended 31 December 2023; and (iii) the substantial increase in the impairment loss on trade and other receivables to approximately RMB210.7 million as compared with that for the year ended 31 December 2022 of approximately RMB35.9 million, mainly due to the impairment loss on the receivable of approximately RMB144.3 million in relation to the partial disposal of the Target Company.

Financial position

As at 31 December 2023, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans to equity attributable to owners of the Company), which are the key position and financial leverage, were 1.35 (2022: 0.60) and 23.3% (2022: 25.3%) respectively. Increase in the current ratio was mainly due to increase in the current assets as a result of the partial disposal of equity interest in the Target Company during the year. There was an improvement of the gearing ratio as a result of the stable level of total bank and other loans of the Group. The Group has been actively negotiating with banks and other borrowers for new loans and renewal of current existing loans in order to cope with the business operations and expansion.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed above, during the year ended 31 December 2023, the Group did not effect any material acquisitions and disposals which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2023, the Group's major operations were financed mainly by the internal financial resources and by corporate borrowings. As at 31 December 2023, the Group had cash and cash equivalents of approximately RMB156.5 million, which were denominated mainly in RMB, HK\$ and USD.

As at 31 December 2023, the Group had net assets of approximately RMB3,776.0 million (2022: RMB3,728.5 million). The Group had total outstanding borrowings of approximately RMB880.6 million (2022: RMB943.5 million) which consisted of secured bank and other loans of approximately RMB856.1 million (2022: RMB891.7 million) and unsecured bank and other loans of approximately RMB24.5 million (2022: RMB51.8 million); and of which approximately RMB689.1 million (2022: RMB763.6 million), RMB21.5 million (2022: RMB13.0 million), RMB114.5 million (2022: RMB74.4 million) and RMB55.5 million (2022: RMB92.5 million) were repayable within one year, from one to two years, from two to five years and more than five years respectively; and of which approximately RMB691.1 million (2022: RMB717.0 million) and RMB189.5 million (2022: RMB226.5 million) were arranged at fixed interest rates and at floating interest rates respectively. The bank and other loans were denominated in RMB and bore interest rates ranging from nil to 5.6% per annum.

As at 31 December 2023, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,464,000 shares respectively.

The gearing ratio of the Group as at 31 December 2023, which is measured by total loans and lease liabilities to equity attributable to owners of the Company, was 23.3% (2022: 25.3%). There was an improvement in the gearing ratio as a result of the stable level of total bank and other loans of the Group.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2023, the Group held financial assets at FVTOCI and FVTPL of totalling approximately RMB285.0 million, representing 5.7% of the total assets of the Group, which mainly comprised of:

- (i) 5.67% equity interest in Shanghai Xianyao with investment cost of RMB100.0 million at fair value of approximately RMB243.9 million, representing 4.9% of the total assets of the Group as at 31 December 2023. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, project derives and lightening devices. There is an increase in fair value of approximately RMB40.8 million included in other comprehensive income for the year; and
- (ii) 3,200 Class SP5-A shares or 100% of Class SP5-A shares, which are participating, non-redeemable and non-voting shares, in the capital of Huarong International Special Investment Fund SPC attributable to Fund V SP, a closed-end segregated portfolio of the Fund with investment cost of approximately RMB29.0 million at fair value of approximately RMB29.0 million, representing 0.6% of the total assets of the Group as at 31 December 2023. The Fund is registered as a segregated portfolio company under the laws of the Cayman Islands and is permitted to create one or more segregated portfolios in order to segregate the assets and liabilities of the Fund held in respect of one segregated portfolio from the assets and liabilities of the Fund held in respect of any other segregated portfolio and/or the general assets and liabilities of the Fund. Fund V SP was established by the Fund and its investment objectives is to generate returns by acquiring any non-performing assets from any bank or financial institution in Hong Kong. There is no significant change of air value for the year.

The investment strategy adopted by the Group was to diversify its assets and businesses into those with promising outlook and prospects to spread the risks, capitalise on different market opportunities and broaden the Group's income sources. In particular, the Company plans to identify and secure investment targets which are engaged in travel and leisure business and innovative and high-tech enterprises in industries of new materials, semiconductor products and technology and high-end equipment manufacturing, etc., which is in line with the principal business of the Group, so as to enhancing the Group's competitive position in the travel and leisure business as well as the semiconductor industry and the LED industry. Investment holding is one of the core businesses of the Group, and the Group strives to identify promising investment opportunities. The Group considered the optimistic future prospect of market of display devices and optoelectronic products, as well as the quality of the non-performance financial assets in Hong Kong and expected that the performance of the Group's investment holding business will be benefited. During the year under review, the fair value of the financial assets at FVTOCI continued to fluctuate as a result of uncertainty of pace of global economic recovery. The Group will carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any significant investment plans as at 31 December 2023.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB100 million in respect of guarantee for banking facilities granted to an associate of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2023.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, RMB, HK\$, Canadian dollars and Euro. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2023, the Group's certain fixed assets with carrying amount of approximately RMB248.7 million (2022: RMB277.1 million), investment properties with carrying amount of approximately RMB199.1 million (2022: RMB195.6 million), bank deposit of approximately RMB1.3 million (2022: RMB1.2 million) and equity interest of an associate were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

The Group considers people as the valuable assets. The Directors are of the view that the Group maintains good working relations with its employees. The Group had workforce of 638 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 9.2% since the end of 2022. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group emphasizes on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs are free to set up trade union according to applicable laws while the supervisory committee of the Company (“**Supervisory Committee**”) had representative from the workforce.

Director’s emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The remuneration of the Directors is determined having regard to each of their duties and responsibilities in the Company.

The Group’s staff costs, including directors’ emoluments, employees’ salaries and retirement benefits scheme contribution amounted to approximately RMB84.2 million for the year ended 31 December 2023 (2022: RMB62.7 million), which was in line with the increase in workforce of the Group.

(c) **Business and financial review for the year ended 31 December 2022**

BUSINESS REVIEW**Tourism development**

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

As a result of the Epidemic in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area was decreased by about 28% for the year ended 31 December 2022. The service utilization rate of the Group’s environmental bus service remained stable at 90%.

Investment holding

As at 31 December 2022, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which were private equity funds with equity investments in private enterprises and property projects in the PRC, the Target Company, and the investments in financial assets at FVTOCI, including listed companies in Hong Kong and private companies in the PRC and Hong Kong.

On 7 July 2022, the Company entered into a capital increase agreement with the existing shareholders of Eta Shanghai, pursuant to which the Company agreed to inject RMB100,000,000 into Eta Shanghai of which (i) RMB14,903,862.95 shall be contributed to the registered capital of Eta Shanghai; and (ii) the remaining balance shall be contributed to the capital reserve of Eta Shanghai. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology; and the sale of semiconductor materials and equipment.

The Directors considered that the investment in Eta Shanghai represented good investment opportunities and were in line with the Group's vision to invest in target companies or businesses having promising outlooks and prospects. The transaction would allow the Group to enlarge its investment in Eta Shanghai and its business activities. One of the existing shareholders, which owned 34.12% of Eta Shanghai before the capital injection by the Company, is wholly owned by the spouse of Mr. Liu Ziyi, the non-executive Director. As such, Eta Shanghai is an associate of Mr. Liu Ziyi and a connected person of the Company under the GEM Listing Rules. The transaction contemplated under the capital injection by the Company constituted a connected transaction for the Company. The approval of the independent Shareholders in respect of the capital injection agreement and the transactions contemplated thereunder was obtained at a special general meeting of the Company held on 9 September 2022. Upon the completion of capital injection by the Company, the Company held approximately 22.681% equity interest in Eta Shanghai, which was treated as interest in an associate in the Company's financial statements.

On 21 November 2022, the Company and Mr. Cai entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares at the consideration of RMB1,101,846,000. Before completion, the Target Company was accounted as an associate of the Company in the consolidated financial statements of the Company using the equity method. After completion, the Target Company would continue to be accounted as an associate of the Company in the consolidated financial statements of the Company using the equity method.

The Directors considered that the partial disposal of the Company's equity interests in the Target Company would provide a valuable opportunity for the Group to realise the value of its investment in the Target Company with a substantial cash inflow to the Group. Further, the disposal would enable the Group to improve its working capital and strengthen its cash flow position so as to facilitate its future development should opportunities arise, thereby allowing the Group to expand and diversify its existing business. The Directors are of the view that the terms of the Share Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The disposal constituted a very substantial disposal of the Company under the GEM Listing Rules. The approval of the Shareholders in respect of the Share Transfer Agreement and the transaction contemplated thereunder was obtained at a special general meeting of the Company held on 29 March 2023.

Sales and production of LED devices

On 10 March 2022, the Company entered into (i) an equity transfer agreement ("**Guangdong Lumen Equity Transfer Agreement**") with an independent third party and Guangdong Lumen for the acquisition of the 80% equity interest in Guangdong Lumen at the consideration of RMB84,486,160; and (ii) a repurchase agreement ("**Guangdong Lumen Repurchase Agreement**") pursuant to which upon occurrence of certain repurchase events, Shanghai Shengjin may require the Company or Guangdong Lumen to repurchase the 20% equity interest in Guangdong Lumen owned by Shanghai Shengjin at the option price of RMB22 million plus interest of 10% per annum, if applicable. Upon the completion in April 2022, Guangdong Lumen became a direct non-wholly owned subsidiary of the Company.

Guangdong Lumen is principally engaged in the development, manufacture and sale of high-end ceramic high-power LED devices and modules, focusing on the research and development and manufacturing of special light sources such as automotive, stage, curing, flash and plant growth. The products manufactured include car lamp series, mobile lighting series, color light series, etc.. The Board considered that the acquisition represented a good opportunity to expand the Group's business into the development, manufacture and sale of high-end ceramic high-power LED devices and modules, in view of the promising future prospect of the market of the LED industries, which could further expand the source of the Group's operating income and profit and could bring returns to the Shareholders.

Trading of metallic products

During the year ended 31 December 2022, the Group was engaged in sales and purchases of metallic products in the PRC. The Group continued to explore more opportunities to expand the Group's source of income.

Other businesses

The Group operated the Winery and was principally engaged in the production and sales of wine and related products.

FINANCIAL REVIEW**Tourism development**

During the year, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the year ended 31 December 2022, the Group's tourism development business recorded revenue of approximately RMB86.6 million, representing a decrease by 21.8% when compared with the corresponding period of 2021. Such decrease was mainly due to the frequent outbreaks of the Epidemic and the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC during the year.

Investment holding

The segment total assets of investment holding business increased by 17.4% to approximately RMB3,725.2 million as at 31 December 2022. The increase was mainly attributable to the Group's additional capital injection into Eta Shanghai during the year and the increase in the Group's share of carrying amount of interests in associates.

Sales and production of LED devices

The financial results of Guangdong Lumen have been consolidated with the results of the Company since the completion of its acquisition in April 2022. Revenue generated from Guangdong Lumen after the completion of acquisition amounted to approximately RMB32.7 million.

Trading of metallic products

For the year ended 31 December 2022, revenue generated from the Group's trading of metallic products business amounted to approximately RMB147.2 million, representing a decrease by 46.2% year-on-year. The decrease was mainly attributable to the decrease in orders entered into by the Group after considering the price fluctuation of the metallic products. The gross margin was 2.3% during the year.

Other businesses

Revenue generated from the winery amounted to approximately RMB9.6 million (2021: RMB10.2 million), which remained stable.

Overall performance

For the year ended 31 December 2022, total revenue recorded by the Group amounted to approximately RMB276.2 million, representing a decrease of 30.0% compared with the corresponding period of 2021. The gross profit was decreased by 36.2% to approximately RMB38.4 million. During the year ended 31 December 2022, the Target Company issued new shares under its non-public share offering and share rewards and option schemes. The equity interests in the Target Company held by the Company were diluted from 36.85% as at 31 December 2021 to 31.88% as at 31 December 2022. The Company recorded a gain of approximately RMB220.2 million on deemed partial disposal of the Target Company. Despite of the decrease in total revenue and gross profit, the Group recorded the increase in the profit from operations to approximately RMB155.3 million and the increase in profit attributable to owners of the Company by 109.7% to approximately RMB333.4 million for the year ended 31 December 2022, mainly because of the gain on deemed partial disposal of an associate recorded by the Company during the reporting year.

Financial position

As at 31 December 2022, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans and lease liabilities to equity attributable to owners of the Company), which are the key position and financial leverage, were 0.60 and 28.7% respectively. Decrease in current ratio and increase in the gearing ratio were mainly due to the raise of additional bank and other loans for business operations during the year. The Group has been actively negotiating with banks and other borrowers for new loans and renewal of current existing loans in order to cope with the business operations and expansion.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Saved as the Disposal disclosed above, during the year ended 31 December 2022, the Group did not effect any material acquisitions and disposals of subsidiaries, associates and joint ventures which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2022, the Group's major operations were financed mainly by the internal financial resources, by corporate borrowings and by net proceeds from placing of new H shares of the Company in 2021. As at 31 December 2022, the Group had cash and cash equivalents of approximately RMB227.7 million, which were denominated mainly in RMB, HK\$ and USD.

As at 31 December 2022, the Group had net assets of approximately RMB3,728.5 million. The Group had total outstanding borrowings of approximately RMB943.5 million (2021: RMB701.9 million) which consisted of secured bank and other loans of approximately RMB891.7 million (2021: RMB643.3 million) and unsecured bank and other loans of RMB51.8 million (2021: RMB58.6 million); and of which approximately RMB763.6 million (2021: RMB608.9 million), nil (2021: RMB5.0 million), RMB13.0 million (2021: Nil), RMB74.4 million (2021: Nil) and RMB92.5 million (2021: RMB88.0 million) were repayable within one year, more than one year with repayment on demand clause, from one to two years, from two to five years and more than five years respectively; and of which approximately RMB717.0 million (2021: RMB500.1 million) and RMB226.5 million (2021: RMB201.8 million) were arranged at fixed interest rates and at floating interest rates respectively. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 6.18% per annum.

As at 31 December 2022, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,464,000 shares respectively.

The gearing ratio of the Group as at 31 December 2022, which is measured by total loans and lease liabilities to equity attributable to owners of the Company, was 28.7%. During the year, the total bank and other loans were increased for continuous business expansion and development.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2022, the Group held financial assets at FVTOCI of approximately RMB239.2 million, representing 4.8% of the total assets of the Group.

The investment strategy adopted by the Group was to diversify its assets and businesses into those with promising outlook and prospects to spread the risks, capitalise on different market opportunities and broaden the Group's income sources. In particular, the Company plans to identify and secure investment targets which are engaged in travel and leisure business and innovative and high-tech enterprises in industries of new materials, semiconductor products and technology and high-end equipment manufacturing, etc., which is in line with the principal business of the Group, so as to enhancing the Group's competitive position in the travel and leisure business as well as the semiconductor industry and the LED industry. Saved as herein this section, for the year ended 31 December 2022, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed above, the Group did not have any significant investment plans as at 31 December 2022.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB300.0 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company.

Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2022.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, Canadian dollars, RMB, Euro and HK\$. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs and operating expenses are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2022, the Group's certain fixed assets with carrying amount of approximately RMB277.1 million, investment properties with carrying amount of approximately RMB195.6 million, bank deposit of approximately RMB1.2 million and equity interest of an associate were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

The Group had workforce of 584 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year, up 12.3% since the end of 2021. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds are contributed on a timely basis. The Group emphasizes on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs are free to set up trade union according to applicable laws while the Supervisory Committee had representative from the workforce. Director's emoluments consist of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The remuneration of the Directors is determined having regard to each of their duties and responsibilities in the Company. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB62.7 million for the year ended 31 December 2022. Increase was mainly attributable to the business expansion of the Group and acquisition of Guangdong Lumen which became a subsidiary of the Company during the year.

(d) Business and financial review for the year ended 31 December 2021**BUSINESS REVIEW****Tourism development**

The Company, through its subsidiaries and associates, is engaged in provision of environmental shuttle bus service and property management services, and operation of tourist facilities, entertainment performance, tourist service center and tourist souvenir shops in the tourist area at Nanyue District, Hunan Province, the PRC; and also participated in several tourism development projects in Hunan Province, including the development of tourist sight project located at Tianzi Mountain.

The tourist area at Nanyue District, the place of operation of the Group's tourism development business, has been temporarily closed from 8 August 2021 to 23 August 2021, due to the policies and measures implemented by the government of the PRC to deter the Epidemic in the PRC. As a result of the overall stabilisation of the Epidemic in the PRC, the number of tourists and pilgrims visiting Hengshan Mountain scenic area increased by about 12% for the year ended 31 December 2021. The service utilisation rate of the Group's environmental bus service remained stable at 91%.

In June 2021, the Group acquired a 2% equity interest in Chuanqi (Hunan) Cultural Tourism Company Limited (“**Chuanqi Cultural Tourism**”), a then associate of the Group, at a consideration of RMB1 in cash together with capital contribution commitment of RMB1,400,000 from an independent third party of the Company. Immediately after the acquisition, the Group owned a total of 51% indirect interest in Chuanqi Cultural Tourism; and Chuanqi Cultural Tourism ceased to be an associate of the Company and became a subsidiary of the Company. Chuanqi Cultural Tourism participated in tourism development projects in Hunan Province.

Investment holding

As at 31 December 2021, the Group's investment holding business mainly included investments in a subsidiary, the associates and joint ventures which were private equity funds with equity investments in private enterprises and property projects in the PRC, the Target Company, and the investments in financial assets at FVTOCI, including listed companies in Hong Kong and private companies in the PRC and Hong Kong.

On 17 June 2021, the Company entered into a capital increase agreement with several investors and existing shareholders of Shanghai Xianyao, pursuant to which, among others, the Company, as investor, has agreed to inject RMB100 million into Shanghai Xianyao, of which (i) RMB2,947,183 shall be contributed to the registered capital of Shanghai Xianyao; and (ii) the remaining balance shall be contributed to the capital reserve of Shanghai Xianyao. Upon completion of the capital injection by all investors, the Company would hold approximately 6.80% equity interest in Shanghai Xianyao, which would become a financial asset at FVTOCI of the Company. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices.

On 3 September 2021, the Company entered into a capital increase agreement with the existing shareholders of Eta Shanghai, pursuant to which the Company agreed to inject RMB50,000,000 into Eta Shanghai of which (i) RMB8,939,189 shall be contributed to the registered capital of Eta Shanghai; and (ii) the remaining balance shall be contributed to the capital reserve of the Eta Shanghai. Upon the completion of capital injection by the Company, the Company would hold approximately 10.00% equity interest in Eta Shanghai, which would become a financial asset at FVTOCI of the Company.

The Board considered that the investments in Shanghai Xian Yao and Eta Shanghai represented good investment opportunities and were in line with the Group's vision to invest in target companies or businesses having promising outlooks and prospects. The transactions represented an endeavour of the Group to tap into the market of business activities engaged by Shanghai Xian Yao and Eta Shanghai.

Trading of metallic products

During the year ended 31 December 2021, the Group was engaged in sales and purchases of metallic products in the PRC. The Group continued to explore more opportunities to expand the Group's source of income.

Other businesses

The Group operated the Winery and was principally engaged in the production and sales of wine and related products.

Subsequent to the reporting period for year ended 31 December 2021, on 10 March 2022, the Company entered into the Guangdong Lumen Equity Transfer Agreement and the Guangdong Lumen Repurchase Agreement. Upon completion, Guangdong Lumen became a directly non-wholly owned subsidiary of the Company and the financial results of Guangdong Lumen consolidated with the results of the Group.

FINANCIAL REVIEW

Tourism development

During the year ended 31 December 2021, fare revenue from tourists and pilgrims continued to be the main source of income of the Group's tourism development business. For the year ended 31 December 2021, the Group's tourism development business recorded revenue of approximately RMB110.8 million, representing an increase by 13.8% when compared with the corresponding period of 2020. Such increase was mainly due to the recovery of the tourism market from the Epidemic in the PRC though there was a short temporary closure of tourist area at Nanyue District during the third quarter of 2021.

Investment holding

The segment total assets of investment holding business increased by 15.6% to approximately RMB3,172.9 million as at 31 December 2021. The increase was mainly attributable to the Group's new investments in Shanghai Xianyao and Eta Shanghai during the year and increase in the Group's share of carrying amount of interests in associates.

Trading of metallic products

For the year ended 31 December 2021, revenue generated from the Group's trading of metallic products business amounted to approximately RMB273.6 million, representing a decrease by 22.5% year-on-year. The decrease was mainly attributable to the decrease in orders entered into by the Group after considering the price fluctuation of the metallic products. The gross margin was 2.2% (2020: 2.4%) during the year.

Overall performance

For the year ended 31 December 2021, total revenue recorded by the Group amounted to approximately RMB394.6 million, representing a decrease of 15.8% compared with the corresponding year of 2020. Such decrease was mainly attributable to the decrease in revenue generated by trading of metallic products during the year. The Group maintained a steady gross profit margin of approximately 15%, which is a key performance indicator of the Group's overall efficiency and profitability.

The Group recorded an increase in profit attributable to owners of the Company by 147.8% to approximately RMB159.0 million for the year ended 31 December 2021. The increase was mainly attributable to the improvement in the businesses of the Group's associates, which have gradually rebounded from the impact of the Epidemic since the second half of 2020, and continued through the year of 2021.

Financial position

As at 31 December 2021, the Group's current ratio (being ratio of current assets and current liabilities) and the gearing ratio (being measured by total loans and lease liabilities to total equity), which were the key position and financial leverage, were 0.64 and 22.9%, respectively. The decrease in the current ratio and the increase in the gearing ratio were mainly due to the raise of additional bank and other loans for business operations during the year. The Group has been actively negotiating with banks and other borrowers for new loans and renewal of current existing loans in order to cope with the business operations and expansion.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2021, the Group did not effect any material acquisitions and disposals of subsidiaries, associates and joint ventures which would be required to be disclosed under the GEM Listing Rules.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2021, the Group's major operations were financed mainly by internal financial resources, corporate borrowings and net proceeds from placing of new H shares of the Company during the year. As at 31 December 2021, the Group had cash and cash equivalents of approximately RMB99.9 million, which were denominated mainly in RMB, HK\$ and USD.

As at 31 December 2021, the Group had net assets of approximately RMB3,348.5 million. The Group had total outstanding borrowings of approximately RMB701.9 million which consisted of secured bank and other loans of approximately RMB643.3 million and unsecured bank and other loans of RMB58.6 million. The bank and other loans were denominated in RMB and USD and bore interest rates ranging from nil to 12% per annum.

As at 31 December 2021, the Company's outstanding number of issued non-listed shares and H shares of RMB0.10 each were 700,000,000 shares and 814,464,000 shares respectively.

The gearing ratio of the Group as at 31 December 2021 was 22.9%. During the year, the total bank and other loans were increased for continuous business expansion and development.

The Board announced that on 20 January 2021, it has resolved to approve the proposed issue of not more than 400,000,000 new H shares ("**2021 New H Shares Issuance**") pursuant to a specific mandate to be sought at a special general meeting and the class meetings of the Company. The purpose of the proposed new H shares issue was mainly to provide funding to a subsidiary of the Company for undertaking the business in import and export of integrated circuit related products and introduction of related technology. The Board considered that the new H shares issue was highly beneficial to the Company by enlarging the shareholder and capital bases of the Company and providing capital for the Group's development.

Moreover, equity financing did not incur any interest expense on the part of the Company and could restrain the build-up of the debt-ratio, which would improve the financing structure of the Company. The approval of the shareholders of the Company in respect of the grant of the specific mandate to issue the new H shares was obtained at the special general meeting and the class meetings of the Company on 2 March 2021. The validity period of the resolutions, which was 12 months from the date of passing the resolutions at the special general meeting and the class meetings of the Company, has expired and no new H shares pursuant to the specific mandate was issued by the Company.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2021, the Group held financial assets at FVTOCI of approximately RMB300.7 million, representing 7.0% of the total assets of the Group, which mainly comprised of:

- (i) registered capital of RMB2,947,183 (representing 6.24% equity interest) in Shanghai Xianyao with investment cost of RMB100.0 million at fair value of approximately RMB149.8 million, representing 3.5% of the total assets of the Group as at 31 December 2021. Shanghai Xianyao is principally engaged in the technical research and development of display devices, optical components and accessories and digital devices; and the wholesale distribution of digital components, optoelectronic products, display devices, projecting devices and lightening devices. There was an increase in fair value of approximately RMB49.8 million included in other comprehensive income for the year;
- (ii) registered capital of RMB66,500,000 (representing 19% equity interest) in Beida Jade Bird Tongling Semiconductor Industry Investment Fund (Limited Partnership) (“**Tongling Investment Fund**”) with investment cost of approximately RMB66.5 million at fair value of approximately RMB55.7 million, representing 1.3% of the total assets of the Group as at 31 December 2021. Tongling Investment Fund is a limited partnership investment fund established in the PRC with investment scope of semiconductor industry chain projects in the city of Tongling, Anhui province. There was an increase in fair value of approximately RMB4.4 million included in other comprehensive Income in for the year;
- (iii) registered capital of RMB8,939,189 (representing 10.0% equity interest) in Eta Shanghai with investment cost of RMB50.0 million at fair value of approximately RMB50.0 million, representing 1.2% of the total assets of the Group as at 31 December 2021. Eta Shanghai is principally engaged in the technical development, technical service, technical consultation and technical transfer of semiconductor and new material technology, and the sale of semiconductor materials and equipment. There was no material change in fair value included in other comprehensive income for the year; and
- (iv) 2,000,340 ordinary shares (0.03% equity interest) of SMIC with investment cost of approximately RMB14.6 million at fair value of approximately RMB30.5 million, representing 0.7% of the total assets of the Group as at 31 December 2021. SMIC is a Hong Kong listed company with stock code 00981 and is principally engaged in the manufacture and trading of semiconductor products. There was a decrease in fair value of approximately RMB5.6 million included in other comprehensive income for the year.

The investment strategy adopted by the Group was to diversify its assets and businesses into those with promising outlook and prospects to spread the risks, capitalise on different market opportunities and broaden the Group's income sources. In particular, the Company plans to identify and secure investment targets which are engaged in travel and leisure business and innovative and high-tech enterprises in industries of new materials, semiconductor products and technology and high-end equipment manufacturing, etc., which is in line with the principal business of the Group, so as to enhancing the Group's competitive position in the travel and leisure business as well as the semiconductor industry and the LED industry. Investment holding was one of the core businesses of the Group, and the Group strived to identify promising investment opportunities. The Group considered the optimistic future prospect of market of display devices and optoelectronic products, as well as the semiconductor industries and expected that the Group's investments would be benefited in the long run. During the year ended 31 December 2021, the fair value of the financial assets at FVTOCI fluctuated as a result of uncertainty of global economic environment. The Group would carefully assess investment opportunities in the market to diversify investment business portfolio in view of expected higher volatility ahead.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed herein this section, the Group did not have any significant investment plans as at 31 December 2021.

CONTINGENT LIABILITIES

The Group had contingent liabilities in the sum of approximately RMB300.0 million in respect of guarantee for banking facilities granted to associates and a former associate of the Company. Saved as disclosed above, the Group did not have any other significant contingent liabilities as at 31 December 2021.

FOREIGN EXCHANGE EXPOSURE

The Group was exposed to certain foreign currency risk as most of its business activities, assets and liabilities are denominated in USD, Canadian dollars, RMB, Euro and HK\$. The Group has not formulated a foreign currency hedging policy as turnover and most of the production costs and operating expenses are denominated in RMB and they are automatically matched, leaving limited currency risk. The Group continues to monitor its foreign exchange exposure and will take measures to lower the foreign currency risk when necessary.

CHARGE ON ASSETS

As at 31 December 2021, the Group's certain fixed assets with carrying amount of approximately RMB281.4 million, investment properties with carrying amount of approximately RMB199.1 million, bank deposit of approximately RMB1.0 million and equity interest of an associate were pledged as securities for the Group's bank and other loans.

EMPLOYEES AND REMUNERATION POLICY

The Group had workforce of 520 people situated mainly in the PRC, Hong Kong and the United States at the end of reporting year. The Group strictly complied with applicable labour law and regulations. Competitive remuneration package with medical and travel insurance are offered to the staff. Adequate retirement funds and provident funds were contributed on a timely basis. The Group emphasized on working safety and sets out proper safety guidelines and provides adequate training to workers. Staffs were free to set up trade union according to applicable laws while the Supervisory Committee had representative from the workforce. Director's emoluments consisted of fees, salaries and allowances, and discretionary bonus determined according to the performance of individual Director. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately RMB60.5 million for the year ended 31 December 2021. Increase was mainly attributable to the business expansion of the Group during the year.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

As described in the paragraph headed “Waiver from strict compliance with Rule 19.68(2)(a)(i) of the GEM Listing Rules” in the “Letter from the Board” in this circular, the Company has applied to the Stock Exchange for, and has been granted, a waiver from the strict compliance with the VSD Rules Requirements. Instead, this circular sets out (i) the Public Target Financial Information in section A in this appendix; and (ii) the Reconciliation Information in section B in this appendix.

A. PUBLISHED FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are the public financial information of the Target Company (“**Public Target Financial Information**”) for the relevant periods pursuant to Rule 19.68(2)(a) of the GEM Listing Rules:

- (i) the audited consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Company for each of the three years ended 31 December 2023;
- (ii) the audited consolidated statements of financial position of the Target Company as at 31 December 2021, 2022 and 2023;
- (iii) the unaudited consolidated statement of financial position of the Target Company as at 30 September 2024; and
- (iv) the unaudited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Company for the nine months ended 30 September 2024.

The Public Target Financial Information referred to in paragraphs (i) and (ii) above were prepared under the accounting policies of the Target Group in accordance with the PRC GAAP and were audited by the auditors of the Target Company, 中興華會計師事務所(特殊普通合夥) (Zhongxinghua Certified Public Accountants LLP). The Public Target Financial Information referred to in paragraphs (iii) to (iv) above were prepared under the accounting policies of the Target Group in accordance with the PRC GAAP.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the years ended 31 December 2021, 2022 and 2023

	For the year ended 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Total operating revenue	3,863,392,959.52	4,602,374,605.54	4,971,561,150.34
Operating costs	(2,428,415,635.02)	(2,893,272,137.78)	(3,067,870,633.87)
Taxes and surcharges	(21,118,350.50)	(30,469,225.24)	(32,031,276.67)
Selling expenses	(406,389,064.38)	(528,101,614.13)	(644,276,130.09)
Administrative expenses	(216,188,226.65)	(239,508,055.84)	(270,440,516.46)
Research and development expenses	(186,238,038.81)	(229,826,207.38)	(250,084,316.37)
Finance costs	(20,630,464.50)	(5,701,856.36)	40,515,308.63
Other gains	65,660,593.09	67,449,121.90	93,871,491.12
Investment income	(161,116.92)	3,172,920.22	10,912,363.02
Gains on changes in fair value	–	(1,530,044.54)	1,832,702.10
Expected credit losses	(19,350,567.09)	(57,200,107.55)	(48,071,343.75)
Assets impairment loss	(2,757,744.12)	(1,712,811.86)	(8,471,833.73)
Gains from assets disposal	16,314.53	345,943.65	565,620.09
Operating profit	627,820,659.15	686,020,530.63	798,012,584.36
Non-operating income	3,168,385.89	9,721,772.23	1,526,528.64
Non-operating expenses	(2,051,056.22)	(2,612,568.14)	(1,916,570.98)
Total profit	628,937,988.82	693,129,734.72	797,622,542.02
Income tax expenses	(74,517,517.97)	(93,519,674.64)	(91,800,299.39)
Net profit	554,420,470.85	599,610,060.08	705,822,242.63
Other comprehensive income after tax:			
<i>Other comprehensive income that shall not be reclassified to profit or loss</i>			
Changes in fair value of investments in other equity instruments	5,018,612.50	(5,018,612.50)	–
	5,018,612.50	(5,018,612.50)	–
<i>Other comprehensive income that will be reclassified to profit or loss</i>			
Other comprehensive income that will be reclassified to profit or loss under equity method	31,911.00	–	–
Exchange difference arising from foreign currency translation	(36,972,674.04)	18,165,852.35	16,426,506.08
	(36,940,763.04)	18,165,852.35	16,426,506.08

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	For the year ended 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Other comprehensive income attributable to the owners of the Target Company, net	(31,922,150.54)	13,147,239.85	16,426,506.08
Other comprehensive income after tax attributable to minority shareholders	(3,502,793.90)	2,403,071.55	4,610,204.46
Other comprehensive income after tax, net	(35,424,944.44)	15,550,311.40	21,036,710.54
Total comprehensive income	518,995,526.41	615,160,371.48	726,858,953.17
Net profit attributable to the shareholders of the Target Company	529,824,909.40	569,631,092.48	658,902,409.75
Profit or loss of minority shareholders	24,595,561.45	29,978,967.60	46,919,832.88
	554,420,470.85	599,610,060.08	705,822,242.63
Total comprehensive income attributable to the owners of the Target Company	497,902,758.86	582,778,332.33	675,328,915.83
Total comprehensive income attributable to the minority shareholders	21,092,767.55	32,382,039.15	51,530,037.34
	518,995,256.41	615,160,371.48	726,858,953.17
Earnings per share:			
Basic earnings per share	1.53	1.17	0.90
Diluted earnings per share	1.49	1.15	0.90

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021, 2022 and 2023

	As at 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Current assets:			
Cash and bank balances	1,483,828,405.22	2,974,605,326.59	2,950,390,043.91
Financial assets held for trading	–	434,270,740.46	114,828,890.89
Bills receivables	109,111,539.31	52,093,806.10	67,880,663.73
Accounts receivables	1,562,665,067.25	2,066,390,280.13	2,183,984,108.14
Receivables financing	386,375,935.69	322,916,364.59	375,438,574.25
Prepayments	99,895,933.40	71,209,399.54	40,419,249.25
Other receivables	44,565,639.06	69,859,679.05	87,730,664.09
Inventories	702,481,775.49	697,641,949.20	765,904,678.22
Contract assets	2,686,875.01	2,405,328.70	6,007,741.29
Other current assets	10,329,320.22	11,861,073.83	71,104,752.04
Total current assets	4,401,940,490.65	6,703,253,948.19	6,663,689,365.81
Non-current assets:			
Long-term equity investments	85,895,431.39	135,024,990.86	135,768,433.34
Investments in other equity instruments	47,904,250.00	9,000,000.00	23,000,000.00
Other non-current financial assets	–	–	59,539,982.56
Fixed assets	370,040,059.23	321,798,920.22	405,315,397.76
Construction in progress	39,861,805.87	106,581,609.16	331,080,237.65
Right-of-use assets	58,201,148.25	49,546,303.88	47,235,405.88
Intangible assets	196,624,741.66	192,785,655.17	213,455,034.66
Development expenses	3,049,186.22	27,387,976.84	68,333,392.95
Goodwill	415,966,112.21	418,976,618.85	421,218,347.32
Long-term deferred expenses	8,431,433.79	7,496,074.12	14,053,474.06
Deferred income tax assets	36,162,800.22	42,443,349.36	57,642,213.23
Other non-current assets	21,240,727.80	43,508,317.92	31,404,074.64
Total non-current assets	1,283,377,696.64	1,354,549,816.38	1,808,045,994.05
Total assets	5,685,318,187.29	8,057,803,764.57	8,471,735,359.86

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	As at 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Current liabilities:			
Short-term borrowings	379,084,500.00	520,000,000.00	262,000,000.00
Bills payables	11,711,394.76	28,245,729.45	50,904,827.58
Accounts payables	688,422,363.82	763,986,976.82	698,789,419.72
Receipts in advance	99,069,727.36	94,884,954.30	137,781,656.99
Contract liabilities	56,488,950.61	55,211,603.56	65,542,661.30
Payroll payables	109,326,962.65	135,679,441.04	183,271,263.23
Tax payables	77,148,868.42	95,494,905.99	89,206,882.67
Other payables	315,639,091.42	126,828,376.56	265,197,241.03
Non-current liabilities due within one year	36,100,524.61	32,868,279.46	25,877,836.40
Other current liabilities	16,266,890.53	13,220,925.32	23,996,236.72
Total current liabilities	1,789,259,274.18	1,866,421,192.50	1,802,568,025.64
Non-current liabilities:			
Long-term borrowings	61,739,286.66	100,552,223.12	90,137,049.54
Bonds payables	—	—	3,136,787.48
Lease liabilities	43,782,262.14	35,047,906.26	30,731,321.50
Estimated liabilities	13,356,476.55	10,969,942.35	9,162,037.52
Deferred income	6,767,974.09	6,233,660.41	9,699,346.73
Deferred income tax liabilities	47,577,300.30	43,499,189.77	49,991,646.78
Total non-current liabilities	173,223,299.74	196,302,921.91	192,858,189.55
Total liabilities	1,962,482,573.92	2,062,724,114.41	1,995,426,215.19

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	As at 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Owners' equity:			
Share capital	348,669,837.00	564,295,902.00	758,057,439.00
Capital reserve	873,749,470.39	2,451,916,195.61	2,296,449,173.69
Treasury shares	(81,095,830.39)	(52,844,681.66)	(161,630,437.49)
Other comprehensive income	(22,549,742.16)	(9,402,502.31)	7,024,079.10
Statutory reserve	168,512,477.24	218,165,890.81	265,899,027.11
Undistributed profit	2,255,994,620.88	2,629,260,418.84	3,070,813,100.25
Total equity attributable to the owners of the Target Company	3,543,280,832.96	5,801,391,223.29	6,236,612,381.66
Minority shareholders' interests	179,554,780.41	193,688,426.87	239,696,763.01
Total owners' equity	3,722,835,613.37	5,995,079,650.16	6,476,309,144.67
Total liabilities and owners' equity	5,685,318,187.29	8,057,803,764.57	8,471,735,359.86

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Attributable to owners of the Target Company								
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal	Minority shareholders' Interests	Total owners' equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
As at 1 January 2021	246,210,000.00	899,490,831.36	(83,045,184.89)	9,372,408.38	123,105,000.00	1,886,880,468.82	3,082,013,523.67	21,812,044.76	3,103,825,568.43
Total comprehensive income	-	-	-	(31,922,150.54)	-	529,824,909.40	497,902,758.86	21,092,767.55	518,995,526.41
Capital injection and reduction by owners	3,975,849.00	72,742,627.03	1,949,354.50	-	-	-	78,667,830.53	136,649,968.10	215,317,798.63
Profit distribution	-	-	-	-	45,407,477.24	(156,155,026.34)	(110,747,549.10)	-	(110,747,549.10)
Internal transfer of owner's equity	98,483,988.00	(98,483,988.00)	-	-	-	-	-	-	-
Others	-	-	-	-	-	(4,555,731.00)	(4,555,731.00)	-	(4,555,731.00)
Changes in equity for the year	102,459,837.00	(25,741,360.97)	1,949,354.50	(31,922,150.54)	45,407,477.24	369,114,152.06	461,267,309.29	157,742,735.65	619,010,044.94
As at 31 December 2021	348,669,837.00	873,749,470.39	(81,095,830.39)	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Attributable to owners of the Target Company								
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal	Minority shareholders' Interests	Total owners' equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
As at 1 January 2022	348,669,837.00	873,749,470.39	(81,095,830.39)	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37
Total comprehensive income	-	-	-	13,147,239.85	-	569,631,092.48	582,778,332.33	32,382,039.15	615,160,371.48
Capital injection and reduction by owners	76,002,211.00	1,717,790,579.22	28,251,148.73	-	-	-	1,822,043,938.95	(18,248,392.69)	1,803,795,546.26
Profit distribution	-	-	-	-	50,404,299.71	(189,607,319.30)	(139,203,019.59)	-	(139,203,019.59)
Internal transfer of owner's equity	139,623,854.00	(139,623,854.00)	-	-	(750,886.14)	(6,757,975.22)	(7,508,861.36)	-	(7,508,861.36)
Changes in equity for the year	215,626,065.00	1,578,166,725.22	28,251,148.73	13,147,239.85	49,653,413.57	373,265,797.96	2,258,110,390.33	14,133,646.46	2,272,244,036.79
As at 31 December 2022	564,295,902.00	2,451,916,195.61	(52,844,681.66)	(9,402,502.31)	218,165,890.81	2,629,260,418.84	5,801,391,223.29	193,688,426.87	5,995,079,650.16

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Attributable to owners of the Target Company							Minority shareholders' Interests	Total owners' equity
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal		
RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	
As at 1 January 2023	564,295,902.00	2,451,916,195.61	(52,844,681.66)	(9,402,426.98)	218,165,890.81	2,629,304,658.00	5,801,435,537.78	193,729,054.39	5,995,164,592.17
Total comprehensive income	–	–	–	16,426,506.08	–	658,902,409.75	675,328,915.83	51,530,037.34	726,858,953.17
Capital injection and reduction by owners	24,100,706.00	14,193,809.08	(108,785,755.83)	–	–	–	(70,491,240.75)	(5,562,328.72)	(76,053,569.47)
Profit distribution	–	–	–	–	47,733,136.30	(217,393,967.50)	(169,660,831.20)	–	(169,660,831.20)
Internal transfer of owner's equity	169,660,831.00	(169,660,831.00)	–	–	–	–	–	–	–
Changes in equity for the year	193,761,537.00	(155,467,021.92)	(108,785,755.83)	16,426,506.08	47,733,136.30	441,508,442.25	435,176,843.88	45,967,708.62	481,144,552.50
As at 31 December 2023	758,057,439.00	2,296,449,173.69	(161,630,437.49)	7,024,079.10	265,899,027.11	3,070,813,100.25	6,236,612,381.66	239,696,763.01	6,476,309,144.67

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the years ended 31 December 2021, 2022 and 2023

	For the year ended 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Cash flows from operating activities:			
Cash received from sales of goods or rendering of services	3,554,642,826.45	4,155,073,460.47	4,875,726,126.91
Refund of taxes	55,458,008.26	67,140,263.75	88,608,959.71
Cash received from other operating activities	104,401,488.26	134,999,048.04	191,311,278.65
Subtotal of cash inflows from operating activities	3,714,502,322.97	4,357,212,772.26	5,155,646,365.27
Cash paid for goods and services	(2,365,159,126.34)	(2,342,136,777.71)	(2,805,603,236.17)
Cash paid to accrued staff costs	(595,855,231.71)	(773,254,457.27)	(856,702,197.37)
Taxes paid	(226,494,338.18)	(349,178,074.29)	(404,176,488.31)
Cash paid for other operating activities	(332,375,487.84)	(408,927,005.10)	(459,576,601.92)
Subtotal of cash outflows from operating activities	(3,519,884,184.07)	(3,873,496,314.37)	(4,526,058,523.77)
Net cash flows from operating activities	194,618,138.90	483,716,457.89	629,587,841.50
Cash flows from investing activities:			
Cash received from disposal of investment	–	–	86,258,345.70
Cash received from investment income	3,919,303.66	5,712,638.25	19,837,377.31
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	58,617.32	14,204,322.56	4,362,309.95
Cash received from other investing activities	508,905,599.54	1,633,410,000.00	4,009,986,040.00
Subtotal of cash inflows from investing activities	512,883,520.52	1,653,326,960.81	4,120,444,072.96
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(54,900,994.27)	(145,645,298.49)	(414,680,880.06)
Cash paid for investments	(111,088,616.63)	(56,388,739.48)	(210,972,514.05)
Net cash paid to acquire subsidiaries and other operating entities	(51,527,180.10)	(131,961,647.66)	(16,361,766.51)
Cash paid relating to other investing activities	(500,000,000.00)	(2,045,412,156.95)	(4,200,036,679.39)
Subtotal of cash outflows from investing activities	(717,516,791.00)	(2,379,407,842.58)	(4,842,051,840.01)
Net cash flows from investing activities	(204,633,270.48)	(726,080,881.77)	(721,607,767.05)

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	For the year ended 31 December		
	2021	2022	2023
	RMB	RMB	RMB
Cash flows from financing activities:			
Cash proceeds from investments	52,812,694.72	1,759,138,549.72	199,457,458.36
Cash proceeds from borrowings	410,611,213.09	662,930,700.00	267,000,000.00
Cash received from other financing activities	—	—	0.33
Subtotal of cash inflows from financing activities	463,423,907.81	2,422,069,249.72	466,457,458.69
Cash repayment of borrowings	(319,566,016.37)	(496,493,637.22)	(549,639,872.41)
Cash paid for dividends, profits or interests	(123,854,566.76)	(162,742,747.69)	(189,935,565.69)
Cash paid relating to other financing activities	(10,118,284.98)	(40,931,562.58)	(211,281,799.07)
Subtotal of cash outflows from financing activities	(453,538,868.11)	(700,167,947.49)	(950,857,237.17)
Net cash flows from financing activities	9,885,039.70	1,721,901,302.23	(484,399,778.48)
Effect of foreign exchange rate changes on cash and cash equivalents	(46,828,318.54)	25,758,805.34	14,740,374.43
Net increase in cash and cash equivalents	(46,958,410.42)	1,505,295,683.69	(561,679,329.60)
Balance of cash and cash equivalents at the beginning of the period	1,500,649,341.54	1,453,690,931.12	2,958,986,614.81
Balance of cash and cash equivalents at the end of the period	1,453,690,931.12	2,958,986,614.81	2,397,307,285.21
Analysis of cash and bank balances and cash and cash equivalents at the end of the period:			
Cash and bank balances	1,483,828,405.22	2,974,605,326.59	2,950,390,043.91
Less: Pledged bank deposits	(30,137,474.10)	(7,768,257.73)	(21,582,188.37)
Time deposits	—	(7,850,454.05)	(531,500,570.33)
Cash and cash equivalents	1,453,690,931.12	2,958,986,614.81	2,397,307,285.21

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the nine months ended 30 September 2024

	For the nine months ended 30 September 2024 RMB
Total operating revenue	3,520,824,083.79
Operating costs	(2,197,040,208.05)
Taxes and surcharges	(26,839,080.75)
Selling expenses	(456,975,332.00)
Administrative expenses	(250,411,241.25)
Research and development expenses	(191,326,010.05)
Finance costs	15,958,388.04
Other gains	84,698,661.96
Investment income	(3,723,135.78)
Gains on changes in fair value	2,950,861.72
Expected credit losses	(82,390,222.67)
Assets impairment loss	691,825.37
Gains from assets disposal	(873,891.36)
	<hr/>
Operating profit	415,544,698.97
Non-operating income	1,487,975.55
Non-operating expenses	(3,700,109.41)
	<hr/>
Total profit	413,332,565.11
Income tax expenses	(59,457,881.03)
	<hr/>
Net profit	353,874,684.08
	<hr/>
<i>Other comprehensive income that will be reclassified to profit or loss</i>	
Other comprehensive income that will be reclassified to profit or loss under equity method	
Exchange difference arising from foreign currency translation	(12,274,360.74)
	<hr/>
	(12,274,360.74)
	<hr/>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	For the nine months ended 30 September 2024 RMB
Other comprehensive income attributable to the owners of the Target Company, net	(12,274,360.74)
Other comprehensive income after tax attributable to minority shareholders	<u>350,262.22</u>
Other comprehensive income after tax, net	<u>(11,924,098.52)</u>
Total comprehensive income	<u><u>341,950,585.56</u></u>
Net profit attributable to the shareholders of the Target Company	335,333,269.33
Profit or loss of minority shareholders	<u>18,541,414.75</u>
	<u><u>353,874,684.08</u></u>
Total comprehensive income attributable to the owners of the Target Company	323,058,908.59
Total comprehensive income attributable to the minority shareholders	<u>18,891,676.97</u>
	<u><u>341,950,585.56</u></u>
Earnings per share:	
Basic earnings per share	<u><u>0.46</u></u>
Diluted earnings per share	<u><u>0.45</u></u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2024

	As at 30 September 2024 RMB
Current assets:	
Cash and bank balances	1,874,666,284.38
Held-for-trading financial assets	174,307,661.32
Bills receivables	46,889,509.15
Accounts receivables	2,954,601,642.73
Receivables financing	102,353,193.61
Prepayments	75,145,187.33
Other receivables	122,355,641.23
Inventories	733,188,573.22
Contract assets	4,320,580.43
Other current assets	187,715,189.55
	<hr/>
Total current assets	6,275,543,462.95
	<hr/>
Non-current assets:	
Long-term equity investments	123,815,338.42
Investments in other equity instruments	23,000,000.00
Other non-current financial assets	63,848,794.02
Fixed assets	774,551,730.12
Construction in progress	28,174,043.14
Right-of-use assets	39,852,166.80
Intangible assets	200,723,589.11
Development expenses	124,783,524.52
Goodwill	524,260,150.44
Long-term deferred expenses	13,412,840.11
Deferred income tax assets	76,064,826.69
Other non-current assets	65,326,948.75
	<hr/>
Total non-current assets	2,057,813,952.12
	<hr/>
Total assets	8,333,357,415.07
	<hr/> <hr/>
Current liabilities:	
Short-term borrowings	232,650,000.00
Bills payables	53,815,462.46
Accounts payables	644,480,655.82
Receipts in advance	65,321,962.17
Contract liabilities	46,853,275.76
Payroll payables	59,579,741.13
Tax payables	111,519,429.14
Other payables	242,194,265.92
Non-current liabilities due within one year	61,055,898.80
Other current liabilities	19,159,895.85
	<hr/>
Total current liabilities	1,536,630,587.05
	<hr/>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	As at 30 September 2024 RMB
Non-current liabilities:	
Long-term borrowings	277,680,277.23
Lease liabilities	22,335,161.00
Estimated liabilities	9,124,945.35
Deferred income	14,835,278.14
Deferred income tax liabilities	48,216,957.58
	<hr/>
Total non-current liabilities	372,192,619.30
	<hr/>
Total liabilities	1,908,823,206.35
	<hr/>
Owner's equity:	
Share capital	744,335,652.00
Capital reserve	2,177,817,010.25
Treasury shares	(234,928,820.83)
Other comprehensive income	(5,250,281.64)
Statutory reserve	265,899,027.11
Undistributed profit	3,145,697,587.98
	<hr/>
Total equity attributable to the owners of the Target Company	6,093,570,174.87
Minority shareholders' interests	331,264,033.85
	<hr/>
Total owners' equity	6,424,834,208.72
	<hr/>
Total liabilities and owners' equity	8,333,657,415.07
	<hr/> <hr/>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS*for the six months ended 30 September 2024*

	For the nine months ended 30 September 2024 RMB
Cash flows from operating activities:	
Cash received from sales of goods or rendering of services	2,841,407,644.83
Refund of taxes	64,018,970.48
Cash received from other operating activities	<u>132,597,157.94</u>
 Subtotal of cash inflows from operating activities	 <u>3,038,023,773.25</u>
 Cash paid for goods and services	 (1,795,374,783.94)
Cash paid to accrued staff costs	(785,924,743.07)
Tax paid	(270,472,265.70)
Cash paid for other operating activities	<u>(425,736,940.52)</u>
 Subtotal of cash outflows from operating activities	 <u>(3,277,508,733.23)</u>
 Net cash flows from operating activities	 <u>(239,484,959.98)</u>
 Cash flows from investing activities:	
Cash received from disposal of investment	200,236,390.55
Cash received from investment income	24,150,630.01
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	1,106,514.54
Cash received from other investing activities	<u>1,921,519,027.16</u>
 Subtotal of cash inflows from investing activities	 <u>2,147,012,562.26</u>
 Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(194,864,302.28)
Cash paid for investments	(311,961,282.39)
Net cash paid to acquire subsidiaries and other operating entities	(110,401,802.77)
Cash paid relating to other investing activities	<u>(1,963,667,433.93)</u>
 Subtotal of cash outflows from investing activities	 <u>(2,580,894,821.37)</u>
 Net cash flows from investing activities	 <u>(433,882,259.11)</u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

	For the nine months ended 30 September 2024 RMB
Cash flows from financing activities:	
Cash proceeds from investments	8,303,544.20
Cash proceeds from borrowings	475,250,000.00
Cash received from other financing activities	26,693,500.54
	<hr/>
Subtotal of cash inflows from financing activities	510,247,044.74
	<hr/>
Cash repayment of borrowings	(290,209,654.27)
Cash paid for dividends, profits or interests	(270,799,868.33)
Cash paid relating to other financing activities	(321,111,015.16)
	<hr/>
Subtotal of cash outflows from financing activities	(882,120,537.76)
	<hr/>
Net cash flows from financing activities	(371,873,493.02)
	<hr/>
Effect of foreign exchange rate changes on cash and cash equivalents	(15,372,806.74)
	<hr/>
Net increase in cash and cash equivalents	(1,060,613,518.85)
Balance of cash and cash equivalents at the beginning of the period	2,397,307,285.21
	<hr/>
Balance of cash and cash equivalents at the end of the period	1,336,693,766.36
	<hr/> <hr/>
Analysis of cash and bank balances and cash and cash equivalents at the end of the period:	
Cash and bank balances	1,874,666,284.38
Less: Pledged and restricted bank deposits	41,471,854.90
Time deposits	(496,500,663.12)
	<hr/>
Cash and cash equivalents	1,336,693,766.36
	<hr/> <hr/>

B. RECONCILIATION STATEMENTS**(a) Difference between the accounting policies adopted by the Company (HKFRS) and the Target Company (PRC GAAP)**

- (1) The Company confirms that there are immaterial differences between the accounting policies adopted in the preparation of the Public Target Financial Statements and the accounting policies adopted by the Company which comply with the HKFRS.
- (2) The following is a line-by-line reconciliation (the “**Reconciliation Information**”) of the consolidated statements of financial position of the Target Group as at 31 December 2021, 2022, 2023 and 30 September 2024 and the consolidated statements of profit or loss and other comprehensive income of the Target Group for the years ended 31 December 2021, 2022 and 2023, and for the nine months ended 30 September 2024 and the consolidated statements of changes in equity of the Target Group for the years ended 31 December 2021, 2022 and 2023 (together, the “**Published Financial Information of the Target Group**”) to address the differences, in all material respects, on the Target Group’s financial information had it been prepared in accordance with the Group’s accounting policies (the “**Adjusted Financial Information of the Target Group**”).
- (3) The process applied in the preparation of the Reconciliation Information is set out in the paragraphs headed “Basis of Preparation” and “Reconciliation Process” below.

(b) Basis of Preparation

The consolidated financial statements of the Target Group for the years ended 31 December 2021, 2022 and 2023 have been prepared in accordance with the PRC GAAP and have also been audited by 中興華會計師事務所(特殊普通合伙) (Zhongxinghua Certified Public Accountants LLP) in accordance with the PRC GAAP. The unaudited consolidated financial statements of the Target Company for the nine months ended 30 September 2024 have also been prepared in accordance with the PRC GAAP.

The Reconciliation Information below for the years ended 31 December 2021, 2022 and 2023 was extracted from the Target Group’s published annual reports set out in section A of this appendix, as if it had been prepared in accordance with the accounting policies adopted by the Group which are set out in the published annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 respectively while the Reconciliation Information below for the nine months ended 30 September 2024 was extracted from the Target Group’s published third quarterly report set out in section A of this appendix, as if it had been prepared in accordance with the accounting policies adopted by the Group as set out in the published interim report of the Company for the six months ended 30 June 2024.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

BDO has been engaged to review the above reconciliation using the Hong Kong Standard on Assurance Engagements 3000 (Revised).

The work conducted by BDO consisted primarily of:

- (i) comparing the Published Financial Information of the Target Group with the audited consolidated financial statements of the Target Group under the PRC GAAP for the years ended 31 December 2021, 2022 and 2023, and the unaudited consolidated financial statements of the Target Group under the PRC GAAP for the nine months ended 30 September 2024, as set out in section A of this appendix (the “**Extracted Financial information of the Target Group**”);
- (ii) assessing the appropriateness of the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information, which includes (a) evaluating the differences between the accounting policies adopted by the Target Group as set out in the published annual reports of the Target Group for the years ended 31 December 2021, 2022 and 2023 and the accounting policies adopted by the Group for the years ended 31 December 2021, 2022 and 2023 as set out in the published annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 respectively; and (b) evaluating the differences between the accounting policies adopted by the Target Group as set out in the published third quarterly report of the Target Group for the nine months ended 30 September 2024 and the accounting policies adopted by the Group as set out in the published interim report of the Company for the six months ended 30 June 2024, and obtaining evidence supporting the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information; and
- (iii) checking the arithmetical accuracy of the computation of the Adjusted Financial Information of the Target Group of the Reconciliation Information.

Based on the work performed, BDO has concluded that:

- (i) the Published Financial Information of the Target Group of the Reconciliation Information is in agreement with the Extracted Financial information of the Target Group as set out in section A of this appendix;

- (ii) in all material respects, the adjustments made in arriving at the Adjusted Financial Information of the Target Group of the Reconciliation Information reflect the differences between:
 - (a) the accounting policies adopted by the Target Group as set out in the published annual reports of the Target Group for the years ended 31 December 2021, 2022 and 2023 and the accounting policies adopted by the Group for the years ended 31 December 2021, 2022 and 2023 as set out in the published annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 respectively;
 - (b) the accounting policies adopted by the Target Group as set out in the published third quarterly report of the Target Group for the nine months ended 30 September 2024 and the accounting policies adopted by the Group as set out in the published interim report of the Company for the six months ended 30 June 2024; and
- (iii) the computation of the Adjusted Financial Information of the Target Group of the Reconciliation Information is arithmetically accurate.

(c) Reconciliation Process

The Reconciliation Information below has been prepared by the Directors by comparing (a) the differences between the accounting policies adopted by the Target Group for each of the year ended 31 December 2021, 2022 and 2023 and the accounting policies adopted by the Group which are set out in the published annual report of the Company for the year ended 31 December 2021, 2022 and 2023 respectively; and (b) the differences between the accounting policies adopted by the Target Group for the nine months ended 30 September 2024 and the accounting policies adopted by the Group as set out in the published interim report of the Company for the six months ended 30 June 2024, as appropriate, and quantifying the relevant material financial effects of such differences, if any.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021

	Published Financial Information of the Target Group (Audited) <i>RMB</i>	Reconciliation adjustments <i>RMB</i> (Note 1)	Reconciliation adjustments <i>RMB</i> (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) <i>RMB</i>
Total operating revenue	3,863,392,959.52			3,863,392,959.52
Operating costs	(2,428,415,635.02)			(2,428,415,635.02)
Taxes and surcharges	(21,118,350.50)	6,595,850.12		(14,522,500.38)
Selling expenses	(406,389,064.38)			(406,389,064.38)
Administrative expenses	(216,188,226.65)	(6,595,850.12)	159,972.80 472,023.60	(222,152,080.37)
Research and development expenses	(186,238,038.81)			(186,238,038.81)
Finance costs	(20,630,464.50)			(20,630,464.50)
Other gains	65,660,593.09			65,660,593.09
Investment income	(161,116.92)			(161,116.92)
Expected credit losses	(19,350,567.09)			(19,350,567.09)
Assets impairment loss	(2,757,744.12)			(2,757,744.12)
Gains from assets disposal	16,314.53			16,314.53
Operating profit	627,820,659.15			628,452,655.55
Non-operating income	3,168,385.89			3,168,385.89
Non-operating expenses	(2,051,056.22)			(2,051,056.22)
Total profit	628,937,988.82			629,569,985.22
Income tax expenses	(74,517,517.97)			(74,517,517.97)
Net profit	554,420,470.85			555,052,467.25

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Published Financial Information of the Target Group (Audited) <i>RMB</i>	Reconciliation adjustments <i>RMB (Note 1)</i>	Reconciliation adjustments <i>RMB (Note 3)</i>	Adjusted Financial Information of the Target Group (Unaudited) <i>RMB</i>
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>				
Changes in fair value of investments in other equity instruments	5,018,612.50			5,018,612.50
	<u>5,018,612.50</u>			<u>5,018,612.50</u>
<i>Other comprehensive income that will be reclassified to profit or loss</i>				
Other comprehensive income that may be reclassified to profit or loss under equity method	31,911.00			31,911.00
Exchange difference arising from foreign currency translation	(36,972,674.04)			(36,972,674.04)
	<u>(36,940,763.04)</u>			<u>(36,940,763.04)</u>
Other comprehensive income attributable to the owners of the Target Company, net	(31,922,150.54)			(31,922,150.54)
Other comprehensive income after tax attributable to minority shareholders	(3,502,793.90)			(3,502,793.90)
Other comprehensive income after tax, net	<u>(35,424,944.44)</u>			<u>(35,424,944.44)</u>
Total comprehensive income	<u><u>518,995,526.41</u></u>			<u><u>519,627,522.81</u></u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Published Financial Information of the Target Group (Audited) <i>RMB</i>	Reconciliation adjustments <i>RMB</i> (Note 1)	Reconciliation adjustments <i>RMB</i> (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) <i>RMB</i>
Net profit attributable to the shareholders of the Target Company	529,824,909.40			530,456,905.80
Profit or loss of minority shareholders	24,595,561.45			24,595,561.45
	554,420,470.85			555,052,467.25
Total comprehensive income attributable to the owners of the Target Company	497,902,758.86			498,534,755.26
Total comprehensive income attributable to the minority shareholders	21,092,767.55			21,092,767.55
	518,995,526.41			519,627,522.81
Earnings per share:				
Basic earnings per share	1.53			1.53
Diluted earnings per share	1.49			1.49

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,483,828,405.22					1,483,828,405.22
Bills receivables	109,111,539.31					109,111,539.31
Accounts receivables	1,562,665,067.25					1,562,665,067.25
Receivables financing	386,375,935.69					386,375,935.69
Prepayments	99,895,933.40					99,895,933.40
Other receivables	44,565,639.06					44,565,639.06
Inventories	702,481,775.49					702,481,775.49
Contract assets	2,686,875.01					2,686,875.01
Other current assets	10,329,320.22					10,329,320.22
Total current assets	4,401,940,490.65					4,401,940,490.65
Non-current assets						
Long-term equity investments	85,895,431.39					85,895,431.39
Investments in other equity instruments	47,904,250.00					47,904,250.00
Fixed assets	370,040,059.23	21,461,808.16		(3,199,456.00)		391,101,935.58
				2,639,551.39		
				159,972.80		
Construction in progress	39,861,805.87					39,861,805.87
Right-of-use assets	58,201,148.25					58,201,148.25
Intangible assets	196,624,741.66	(21,461,808.16)		(9,440,472.00)		173,982,874.50
				7,788,389.40		
				472,023.60		
Development expenses	3,049,186.22					3,049,186.22
Goodwill	415,966,112.21				6,367,535.82	422,333,648.03
Long-term deferred expenses	8,431,433.79					8,431,433.79
Deferred income tax assets	36,162,800.22					36,162,800.22
Other non-current assets	21,240,727.80					21,240,727.80
Total non-current assets	1,283,377,696.64					1,288,165,241.65
Total assets	5,685,318,187.29					5,690,105,732.30

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	379,084,500.00					379,084,500.00
Bills payables	11,711,394.76					11,711,394.76
Accounts payables	688,422,363.82					688,422,363.82
Receipts in advance	99,069,727.36					99,069,727.36
Contract liabilities	56,488,950.61					56,488,950.61
Payroll payables	109,326,962.65					109,326,962.65
Tax payables	77,148,868.42	(48,338,975.52)				28,809,892.90
Other payables	315,639,091.42	48,338,975.52				363,978,066.94
Non-current liabilities due within one year	36,100,524.61					36,100,524.61
Other current liabilities	16,266,890.53					16,266,890.53
Total current liabilities	1,789,259,274.18					1,789,259,274.18
Non-current liabilities						
Long-term borrowings	61,739,286.66					61,739,286.66
Lease liabilities	43,782,262.14					43,782,262.14
Estimated liabilities	13,356,476.55					13,356,476.55
Deferred income	6,767,974.09					6,767,974.09
Deferred income tax liabilities	47,577,300.30					47,577,300.30
Total non-current liabilities	173,223,299.74					173,223,299.74
Total liabilities	1,962,482,573.92					1,962,482,573.92

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Owners' equity:						
Share capital	348,669,837.00					348,669,837.00
Capital reserve	873,749,470.39			(2,901,788.00)		858,207,754.39
				(3,199,456.00)		
				(9,440,472.00)		
Treasury shares	(81,095,830.39)					(81,095,830.39)
Other comprehensive income	(22,549,742.16)					(22,549,742.16)
Statutory reserve	168,512,477.24		11,423,578.72			179,936,055.96
Undistributed profit	2,255,994,620.88		(11,423,578.72)	2,901,788.00	6,367,535.82	2,264,900,303.17
				2,639,551.39		
				7,788,389.40		
				159,972.80		
				472,023.60		
Total equity attributable to the owners of the Target Company	3,543,280,832.96					3,548,068,377.97
Minority shareholders' interests	179,554,780.41					179,554,780.41
Total owners' equity	3,722,835,613.37					3,727,623,158.38
Total liabilities and owners' equity	5,685,318,187.29					5,690,105,732.30

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

	Attributable to owners of the Target Company						Minority shareholders' Interests	Total owners' equity
	Share capital RMB	Capital reserve RMB	Treasury Shares RMB	Other comprehensive income RMB	Statutory reserve RMB	Undistributed profit RMB	Subtotal RMB	RMB
As at 1 January 2021 (Audited)	246,210,000.00	899,490,831.36	(83,045,184.89)	9,372,408.38	123,105,000.00	1,886,880,468.82	3,082,013,523.67	21,812,044.76
Reconciliation adjustments (Note 2)					11,423,578.72	(11,423,578.72)		
Reconciliation adjustments (Note 3)		(2,901,788.00)				2,901,788.00		
		(3,199,456.00)				2,639,551.39		
		(9,440,472.00)				7,788,389.40		
Reconciliation adjustments (Note 4)						6,367,535.82		
As at 1 January 2021 after reconciliation adjustments	246,210,000.00	883,949,115.36	(83,045,184.89)	9,372,408.38	134,528,578.72	1,895,154,154.71	3,086,169,072.28	21,812,044.76
Total comprehensive income	-	-	-	(31,922,150.54)	-	529,824,909.40	497,902,758.86	21,092,767.55
Reconciliation adjustments (Note 3)						159,972.80		
						472,023.60		
Total comprehensive income after reconciliation adjustments	-	-	-	(31,922,150.54)	-	530,456,905.80	498,534,755.26	21,092,767.55
Capital injection and reduction by owners	3,975,849.00	72,742,627.03	1,949,354.50	-	-	-	78,667,830.53	136,649,968.10
Profit distribution	-	-	-	-	45,407,477.24	(156,155,026.34)	(110,747,549.10)	-
Internal transfer of owner's equity	98,483,988.00	(98,483,988.00)	-	-	-	-	-	-
Others	-	-	-	-	-	(4,555,731.00)	(4,555,731.00)	-
Changes in equity for the year after reconciliation adjustments	102,459,837.00	(25,741,360.97)	1,949,354.50	(31,922,150.54)	45,407,477.24	369,746,148.46	461,899,305.69	157,742,735.65
As at 31 December 2021 after reconciliation adjustments (Unaudited)	348,699,837.00	858,207,754.39	(81,095,830.39)	(22,549,742.16)	179,936,055.96	2,264,900,303.17	3,548,068,377.97	179,554,780.41

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	4,602,374,605.54			4,602,374,605.54
Operating costs	(2,893,272,137.78)			(2,893,272,137.78)
Taxes and surcharges	(30,469,225.24)	10,058,262.06		(20,410,963.18)
Selling expenses	(528,101,614.13)			(528,101,614.13)
Administrative expenses	(239,508,055.84)	(10,058,262.06)	159,972.80	(248,934,321.50)
			472,023.60	
Research and development expenses	(229,826,207.38)			(229,826,207.38)
Finance costs	(5,701,856.36)			(5,701,856.36)
Other gains	67,449,121.90			67,449,121.90
Investment income	3,172,920.22			3,172,920.22
Gain on changes in fair value	(1,530,044.54)			(1,530,044.54)
Expected credit losses	(57,200,107.55)			(57,200,107.55)
Assets impairment loss	(1,712,811.86)			(1,712,811.86)
Gains from assets disposal	345,943.65			345,943.65
Operating profit	686,020,530.63			686,652,527.03
Non-operating income	9,721,772.23			9,721,772.23
Non-operating expenses	(2,612,568.14)			(2,612,568.14)
Total profit	693,129,734.72			693,761,731.12
Income tax expenses	(93,519,674.64)			(93,519,674.64)
Net profit	599,610,060.08			600,242,056.48

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Other comprehensive income after tax: <i>Other comprehensive income that shall not be reclassified to profit or loss</i>				
Change in fair value of investments in other equity instruments	(5,018,612.50)			(5,018,612.50)
	(5,018,612.50)			(5,018,612.50)
<i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	18,165,852.35			18,165,852.35
Other comprehensive income attributable to the owners of the Target Company, net	13,147,239.85			13,147,239.85
Other comprehensive income after tax attributable to minority shareholders	2,403,071.55			2,403,071.55
Other comprehensive income after tax, net	15,550,311.40			15,550,311.40
Total comprehensive income	615,160,371.48			615,792,367.88

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Net profit attributable to the shareholders of the Target Company	569,631,092.48			570,263,088.88
Profit or loss of minority shareholders	29,978,967.60			29,978,967.60
	599,610,060.08			600,242,056.48
Total comprehensive income attributable to the owners of the Target Company	582,778,332.33			583,410,328.73
Total comprehensive income attributable to the minority shareholders	32,382,039.15			32,382,039.15
	615,160,371.48			615,792,367.88
Earnings per share:				
Basic earnings per share	1.17			1.17
Diluted earnings per share	1.15			1.15

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	2,974,605,326.59					2,974,605,326.59
Financial assets held for trading	434,270,740.46					434,270,740.46
Bills receivables	52,093,806.10					52,093,806.10
Accounts receivables	2,066,390,280.13					2,066,390,280.13
Receivables financing	322,916,364.59					322,916,364.59
Prepayments	71,209,399.54					71,209,399.54
Other receivables	69,859,679.05					69,859,679.05
Inventories	697,641,949.20					697,641,949.20
Contract assets	2,405,328.70					2,405,328.70
Other current assets	11,861,073.83					11,861,073.83
Total current assets	6,703,253,948.19					6,703,253,948.19
Non-current assets						
Long-term equity investments	135,024,990.86					135,024,990.86
Investments in other equity instruments	9,000,000.00					9,000,000.00
Fixed assets	321,798,920.22	21,603,854.28		(3,199,456.00)		343,162,815.49
				2,799,524.19		
				159,972.80		
Construction in progress	106,581,609.16					106,581,609.16
Right-of-use assets	49,546,303.88					49,546,303.88
Intangible assets	192,785,655.17	(21,603,854.28)		(9,440,472.00)		170,473,765.49
				8,260,413.00		
				472,023.60		
Development expenses	27,387,976.84					27,387,976.84
Goodwill	418,976,618.85				6,367,535.82	425,344,154.67
Long-term deferred expenses	7,496,074.12					7,496,074.12
Deferred income tax assets	42,443,349.36					42,443,349.36
Other non-current assets	43,508,317.92					43,508,317.92
Total non-current assets	1,354,549,816.38					1,359,969,357.79
Total assets	8,057,803,764.57					8,063,223,305.98

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	520,000,000.00					520,000,000.00
Trade and bills payable	28,245,729.45					28,245,729.45
Accounts payables	763,986,976.82					763,986,976.82
Receipts in advance	94,884,954.30					94,884,954.30
Contract liabilities	55,211,603.56					55,211,603.56
Payroll payables	135,679,441.04					135,679,441.04
Tax payables	95,494,905.99	(62,608,001.99)				32,886,904.00
Other payables	126,828,376.56	62,608,001.99				189,436,378.55
Non-current liabilities due within one year	32,868,279.46					32,868,279.46
Other current liabilities	13,220,925.32					13,220,925.32
Total current liabilities	1,866,421,192.50					1,866,421,192.50
Non-current liabilities						
Long-term borrowings	100,552,223.12					100,552,223.12
Lease liabilities	35,047,906.26					35,047,906.26
Estimated liabilities	10,969,942.35					10,969,942.35
Deferred income	6,233,660.41					6,233,660.41
Deferred income tax liabilities	43,499,189.77					43,499,189.77
Total non-current liabilities	196,302,921.91					196,302,921.91
Total liabilities	2,062,724,114.41					2,062,724,114.41

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Owners' equity:						
Share capital	564,295,902.00					564,295,902.00
Capital reserve	2,451,916,195.61			(2,901,788.00) (3,199,456.00) (9,440,472.00)		2,436,374,479.61
Treasury shares	(52,844,681.66)					(52,844,681.66)
Other comprehensive income	(9,402,502.31)					(9,402,502.31)
Statutory reserve	218,165,890.81		11,423,578.72			229,589,469.53
Undistributed profit	2,629,260,418.84		(11,423,578.72)	2,901,788.00 2,799,524.19 8,260,413.00 159,972.80 472,023.60	6,367,535.82	2,638,798,097.53
Total equity attributable to the owners of the Target Company	5,801,391,223.29					5,806,810,764.70
Minority shareholders' interests	193,688,426.87					193,688,426.87
Total owners' equity	5,995,079,650.16					6,000,499,191.57
Total liabilities and owners' equity	8,057,803,764.57					8,063,223,305.98

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	Attributable to owners of the Target Company							Minority	Total owners'
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal	shareholders' interests	equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
As at 1 January 2022 (Audited)	348,669,837.00	873,749,470.39	(81,095,830.39)	(22,549,742.16)	168,512,477.24	2,255,994,620.88	3,543,280,832.96	179,554,780.41	3,722,835,613.37
Reconciliation adjustments (Note 2)					11,423,578.72	(11,423,578.72)			
Reconciliation adjustments (Note 3)		(2,901,788.00)				2,901,788.00			
		(3,199,456.00)				2,799,524.19			
		(9,440,472.00)				8,260,413.00			
Reconciliation adjustments (Note 4)						6,367,535.82			
As at 1 January 2022 after reconciliation adjustments	348,669,837.00	858,207,754.39	(81,095,830.39)	(22,549,742.16)	179,936,055.96	2,264,900,303.17	3,548,068,377.97	179,554,780.41	3,727,623,158.38
Total comprehensive income	-	-	-	13,147,239.85	-	569,631,092.48	582,778,332.33	32,382,039.15	615,160,371.48
Reconciliation adjustments (Note 3)						159,972.80			
						472,023.60			
Total comprehensive income after reconciliation adjustments	-	-	-	13,147,239.85	-	570,263,088.88	583,410,328.73	32,382,039.15	615,792,367.88
Capital injection and reduction by owners	76,002,211.00	1,717,790,579.22	28,251,148.73	-	-	-	1,822,043,938.95	(18,248,392.69)	1,803,795,546.26
Profit distribution	-	-	-	-	50,404,299.71	(189,607,319.30)	(139,203,019.59)	-	(139,203,019.59)
Internal transfer of owner's equity	139,623,854.00	(139,623,854.00)			(750,886.14)	(6,757,975.22)	(7,508,861.36)		(7,508,861.36)
Changes in equity for the year after reconciliation adjustments	215,626,065.00	1,578,166,725.22	28,251,148.73	13,147,239.85	49,653,413.57	373,897,794.36	2,258,742,386.73	14,133,646.46	2,272,876,033.19
As at 31 December 2022 after reconciliation adjustments (Unaudited)	564,295,902.00	2,436,374,479.61	(52,844,681.66)	(9,402,502.31)	229,589,469.53	2,638,798,097.53	5,806,810,764.70	193,688,426.87	6,000,499,191.57

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 5)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	4,971,561,150.34				4,971,561,150.34
Operating costs	(3,067,870,633.87)				(3,067,870,633.87)
Taxes and surcharges	(32,031,276.67)	9,280,357.67			(22,750,919.00)
Selling expenses	(644,276,130.09)				(644,276,130.09)
Administrative expenses	(270,440,516.46)	(9,280,357.67)	159,972.80		(279,088,877.73)
			472,023.60		
Research and development expenses	(250,084,316.37)				(250,084,316.37)
Finance costs	40,515,308.63				40,515,308.63
Other gains	93,871,491.12				93,871,491.12
Investment income	10,912,363.02				10,912,363.02
Gain on changes in fair value	1,832,702.10				1,832,702.10
Expected credit losses	(48,071,343.75)				(48,071,343.75)
Assets impairment loss	(8,471,833.73)				(8,471,833.73)
Gains from assets disposal	565,620.09				565,620.09
Operating profit	798,012,584.36				798,644,580.76
Non-operating income	1,526,528.64				1,526,528.64
Non-operating expenses	(1,916,570.98)				(1,916,570.98)
Total profit	797,622,542.02				798,254,538.42
Income tax expenses	(91,800,299.39)			84,942.01	(91,715,357.38)
Net profit	705,822,242.63				706,539,181.04

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 5)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Other comprehensive income after tax: <i>Other comprehensive income that will be reclassified to profit or loss</i>					
Exchange difference arising from foreign currency translation	16,426,506.08				16,426,581.41
	16,426,506.08				16,426,581.41
Other comprehensive income attributable to the owners of the Target Company, net	16,426,506.08				16,426,581.41
Other comprehensive income after tax attributable to minority shareholders	4,610,204.46				4,610,129.13
Other comprehensive income after tax, net	21,036,710.54				21,036,710.54
Total comprehensive income	726,858,953.17				727,575,891.58
Net profit attributable to the shareholders of the Target Company	658,902,409.75				659,578,645.31
Profit or loss of minority shareholders	46,919,832.88				46,960,535.73
	705,822,242.63				706,539,181.04

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Published Financial Information of the Target Group (Audited) <i>RMB</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 1)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 3)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 5)</i>	Adjusted Financial Information of the Target Group (Unaudited) <i>RMB</i>
Total comprehensive income attributable to the owners of the Target Company	675,328,915.83				676,005,226.72
Total comprehensive income attributable to the minority shareholders	51,530,037.34				51,570,664.86
	726,858,953.17				727,575,891.58
Earnings per share:					
Basic earnings per share	0.90				0.90
Diluted earnings per share	0.90				0.90

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Reconciliation adjustments RMB (Note 5)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets							
Cash and bank balances	2,950,390,043.91						2,950,390,043.91
Financial assets held for trading	114,828,890.89						114,828,890.89
Bills receivables	67,880,663.73						67,880,663.73
Accounts receivables	2,183,984,108.14						2,183,984,108.14
Receivables financing	375,438,574.25						375,438,574.25
Prepayments	40,419,249.25						40,419,249.25
Other receivables	87,730,664.09						87,730,664.09
Inventories	765,904,678.22						765,904,678.22
Contract assets	6,007,741.29						6,007,741.29
Other current assets	71,104,752.04						71,104,752.04
Total current assets	6,663,689,365.81						6,663,689,365.81
Non-current assets							
Long-term equity investments	135,768,433.34						135,768,433.34
Investments in other equity instruments	23,000,000.00						23,000,000.00
Other financing assets	59,539,982.56						59,539,982.56
Fixed assets	405,315,397.76	21,992,640.40		(3,199,456.00)	2,959,496.99 159,972.80		427,228,051.95
Construction in progress	331,080,237.65						331,080,237.65
Right-of-use assets	47,235,405.88						47,235,405.88
Intangible assets	213,455,034.66	(21,992,640.40)		(9,440,472.00)	8,732,436.60 472,023.60		191,226,382.46
Development expenses	68,333,392.95						68,333,392.95
Goodwill	421,218,347.32				6,367,535.82		427,585,883.14
Long-term deferred expenses	14,053,474.06						14,053,474.06
Deferred income tax assets	57,642,213.23						57,642,213.23
Other non-current assets	31,404,074.64						31,404,074.64
Total non-current assets	1,808,045,994.05						1,814,097,531.86
Total assets	8,471,735,359.86						8,477,786,897.67

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Published Financial Information of the Target Group (Audited) <i>RMB</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 1)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 2)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 3)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 4)</i>	Reconciliation adjustments <i>RMB</i> <i>(Note 5)</i>	Adjusted Financial Information of the Target Group (Unaudited) <i>RMB</i>
Current liabilities							
Short-term borrowings	262,000,000.00						262,000,000.00
Bills payables	50,904,827.58						50,904,827.58
Accounts payables	698,789,419.72						698,789,419.72
Receipts in advance	137,781,656.99						137,781,656.99
Contract liabilities	65,542,661.30						65,542,661.30
Payroll payables	183,271,263.23						183,271,263.23
Tax payables	89,206,882.67	(56,592,137.76)					32,614,744.91
Other payables	265,197,241.03	56,592,137.76					321,789,378.79
Non-current liabilities due within one year	25,877,836.40						25,877,836.40
Other current liabilities	23,996,236.72						23,996,236.72
Total current liabilities	<u>1,802,568,025.64</u>						<u>1,802,568,025.64</u>
Non-current liabilities							
Long-term borrowings	90,137,049.54						90,137,049.54
Bond payable	3,136,787.48						3,136,787.48
Lease liabilities	30,731,321.50						30,731,321.50
Estimated liabilities	9,162,037.52						9,162,037.52
Deferred income	9,699,346.73						9,699,346.73
Deferred income tax liabilities	49,991,646.78						49,991,646.78
Total non-current liabilities	<u>192,858,189.55</u>						<u>192,858,189.55</u>
Total liabilities	<u>1,995,426,215.19</u>						<u>1,995,426,215.19</u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Published Financial Information of the Target Group (Audited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Reconciliation adjustments RMB (Note 5)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Owners' equity:							
Share capital	758,057,439.00						758,057,439.00
Capital reserve	2,296,449,173.69			(2,901,788.00)			2,280,907,457.69
				(3,199,456.00)			
				(9,440,472.00)			
Treasury shares	(161,630,437.49)						(161,630,437.49)
Other comprehensive income	7,024,079.10					(75.33)	7,024,079.10
						75.33	
Statutory reserve	265,899,027.11		11,423,578.72				277,322,605.83
Undistributed profit	3,070,813,100.25		(11,423,578.72)	2,901,788.00	6,367,535.82	(44,239.16)	3,080,982,775.34
				2,959,496.99		44,239.16	
				8,732,436.60			
				159,972.80			
				472,023.60			
Total equity attributable to the owners of the Target Company	6,236,612,381.66						6,242,663,919.47
Minority shareholders' interests	239,696,763.01					(40,627.52)	239,696,763.01
						40,627.52	
Total owners' equity	6,476,309,144.67						6,482,360,682.48
Total liabilities and owners' equity	8,471,735,359.86						8,477,786,897.67

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

	Attributable to owners of the Target Company								
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Statutory reserve	Undistributed profit	Subtotal	Minority shareholders' interests	Total owners' equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
As at 1 January 2023 (Audited)	564,295,902.00	2,451,916,195.61	(52,844,681.66)	(9,402,426.98)	218,165,890.81	2,629,304,658.00	5,801,435,537.78	193,729,054.39	5,995,164,592.17
Reconciliation adjustments (Note 2)					11,423,578.72	(11,423,578.72)			
Reconciliation adjustments (Note 3)		(2,901,788.00)				2,901,788.00			
		(3,199,456.00)				2,959,496.99			
		(9,440,472.00)				8,732,436.60			
Reconciliation adjustments (Note 4)						6,367,535.82			
Reconciliation adjustment (Note 5)				(75.33)		(44,239.16)		(40,627.52)	
As at 1 January 2023 after reconciliation adjustments	564,295,902.00	2,436,374,479.61	(52,844,681.66)	(9,402,502.31)	229,589,469.53	2,638,798,097.53	5,806,810,764.70	193,688,426.87	6,000,499,191.57
Total comprehensive income	-	-	-	16,426,506.08	-	658,902,409.75	675,328,915.83	51,530,037.34	726,858,953.17
Reconciliation adjustments (Note 3)						159,972.80			
						472,023.60			
Reconciliation adjustment (Note 5)				75.33		44,239.16		40,627.52	
Total comprehensive income after reconciliation adjustments	-	-	-	16,426,581.41	-	659,578,645.31	676,005,226.72	51,570,664.86	727,575,891.58
Capital injection and reduction by owners	24,100,706.00	14,193,809.08	(108,785,755.83)	-	-	-	(70,491,240.75)	(5,562,328.72)	(76,053,569.47)
Profit distribution	-	-	-	-	47,733,136.30	(217,393,967.50)	(169,660,831.20)	-	(169,660,831.20)
Internal transfer of owner's equity	169,660,831.00	(169,660,831.00)	-	-	-	-	-	-	-
Changes in equity for the year after reconciliation adjustments	193,761,537.00	(155,467,021.92)	(108,785,755.83)	16,426,581.41	47,733,136.30	442,184,677.81	435,853,154.77	46,008,336.14	481,861,490.91
As at 31 December 2023 after reconciliation adjustments (Unaudited)	758,057,439.00	2,280,907,457.69	(161,630,437.49)	7,024,079.10	277,322,605.83	3,080,982,775.34	6,242,663,919.47	239,696,763.01	6,482,360,682.48

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total operating revenue	3,520,824,083.79			3,520,824,083.79
Operating costs	(2,197,040,208.05)			(2,197,040,208.05)
Taxes and surcharges	(26,839,080.75)	12,248,954.29		(14,590,126.46)
Selling expenses	(456,975,332.00)			(456,975,332.00)
Administrative expenses	(250,411,241.25)	(12,248,954.29)	79,986.21	(262,344,197.53)
			236,011.80	
Research and development expenses	(191,326,010.05)			(191,326,010.05)
Finance costs	15,958,388.04			15,958,388.04
Other gains	84,698,661.96			84,698,661.96
Investment income	(3,723,135.78)			(3,723,135.78)
Gain on changes in fair value	2,950,861.72			2,950,861.72
Expected credit losses	(82,390,222.67)			(82,390,222.67)
Assets impairment gain or loss	691,825.37			691,825.37
Gains from assets disposal	(873,891.36)			(873,891.36)
Operating profit	415,544,698.97			415,860,696.98
Non-operating income	1,487,975.55			1,487,975.55
Non-operating expenses	(3,700,109.41)			(3,700,109.41)
Total profit	413,332,565.11			413,648,563.12
Income tax expenses	(59,457,881.03)			(59,457,881.03)
Net profit	353,874,684.08			354,190,682.09

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Continued)

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Other comprehensive income after tax: <i>Other comprehensive income that will be reclassified to profit or loss</i>				
Exchange difference arising from foreign currency translation	(12,274,360.74)			(12,274,360.74)
	(12,274,360.74)			(12,274,360.74)
Other comprehensive income attributable to the owners of the Target Company, net	(12,274,360.74)			(12,274,360.74)
Other comprehensive income after tax attributable to minority shareholders	350,262.22			350,262.22
Other comprehensive income after tax, net	(11,924,098.52)			(11,924,098.52)
Total other comprehensive income	341,950,585.56			342,266,583.57
Net profit attributable to the owners of the Target Company	335,333,269.33			335,649,267.34
Profit or loss of minority shareholders	18,541,414.75			18,541,414.75
	353,874,684.08			354,190,682.09

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Continued)

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 3)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Total comprehensive income attributable to the owners of the Target Company	323,058,908.59			323,374,906.60
Total comprehensive income attributable to the minority shareholders	18,891,676.97			18,891,676.97
	341,950,585.56			342,266,583.57
Earnings per share:				
Basic earnings per share	0.46			0.46
Diluted earnings per share	0.45			0.45

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Continued)

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current assets						
Cash and bank balances	1,874,666,284.38					1,874,666,284.38
Financial assets held for trading	174,307,661.32					174,307,661.32
Bills receivables	46,889,509.15					46,889,509.15
Accounts receivables	2,954,601,642.73					2,954,601,642.73
Receivables financing	102,353,193.61					102,353,193.61
Prepayments	75,145,187.33					75,145,187.33
Other receivables	122,355,641.23					122,355,641.23
Inventories	733,188,573.22					733,188,573.22
Contract assets	4,320,580.43					4,320,580.43
Other current assets	187,715,189.55					187,715,189.55
Total current assets	6,275,543,462.95					6,275,543,462.95
Non-current assets						
Long-term equity investments	123,815,338.42					123,815,338.42
Investments in other equity instruments	23,000,000.00					23,000,000.00
Other financing assets	63,848,794.02					63,848,794.02
Fixed assets	774,551,730.12	21,368,769.99		(3,199,456.00)		795,920,500.11
				3,119,469.79		
				79,986.21		
Construction in progress	28,174,043.14					28,174,043.14
Right-of-use assets	39,852,166.80					39,852,166.80
Intangible assets	200,723,589.11	(21,368,769.99)		(9,440,472.00)		179,354,819.12
				9,204,460.20		
				236,011.80		
Development expenses	124,783,524.52					124,783,524.52
Goodwill	524,260,150.44				6,367,535.82	530,627,686.26
Long-term deferred expenses	13,412,840.11					13,412,840.11
Deferred income tax assets	76,064,826.69					76,064,826.69
Other non-current assets	65,326,948.75					65,326,948.75
Total non-current assets	2,057,813,952.12					2,064,181,487.94
Total assets	8,333,357,415.07					8,339,724,950.89

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Continued)

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Current liabilities						
Short-term borrowings	232,650,000.00					232,650,000.00
Bills payables	53,815,462.46					53,815,462.46
Accounts payables	644,480,655.82					644,480,655.82
Receipts in advance	65,321,962.17					65,321,962.17
Contract liabilities	46,853,275.76					46,853,275.76
Payroll payables	59,279,741.13					59,279,741.13
Tax payables	111,519,429.14	(48,708,352.24)				62,811,076.90
Other payables	242,194,265.92	48,708,352.24				290,902,618.16
Non-current liabilities due within one year	61,055,898.80					61,055,898.80
Other current liabilities	19,159,895.85					19,159,895.85
Total current liabilities	<u>1,536,330,587.05</u>					<u>1,536,330,587.05</u>
Non-current liabilities						
Long-term borrowings	277,680,277.23					277,680,277.23
Lease liabilities	22,335,161.00					22,335,161.00
Estimated liabilities	9,124,945.35					9,124,945.35
Deferred income	14,835,278.14					14,835,278.14
Deferred income tax liabilities	48,216,957.58					48,216,957.58
Total non-current liabilities	<u>372,192,619.30</u>					<u>372,192,619.30</u>
Total liabilities	<u>1,908,523,206.35</u>					<u>1,908,523,206.35</u>

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

RECONCILIATION OF FINANCIAL INFORMATION OF THE TARGET GROUP PREPARED UNDER THE PRC GAAP TO HKFRSs FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Continued)

	Published Financial Information of the Target Group (Unaudited) RMB	Reconciliation adjustments RMB (Note 1)	Reconciliation adjustments RMB (Note 2)	Reconciliation adjustments RMB (Note 3)	Reconciliation adjustments RMB (Note 4)	Adjusted Financial Information of the Target Group (Unaudited) RMB
Owners' equity:						
Share capital	744,335,652.00					744,335,652.00
Capital reserve	2,177,817,010.25			(2,901,788.00) (3,199,456.00) (9,440,472.00)		2,162,275,294.25
Treasury shares	(234,928,820.83)					(234,928,820.83)
Other comprehensive income	(5,250,281.64)					(5,250,281.64)
Statutory reserve	265,899,027.11		11,423,578.72			277,322,605.83
Undistributed profit	3,145,697,587.98		(11,423,578.72)	2,901,788.00 3,119,469.79 9,204,460.20 79,986.21 236,011.80	6,367,535.82	3,156,183,261.08
Total equity attributable to the owners of the Target Company	6,093,570,174.87					6,099,937,710.69
Minority shareholders' interests	331,264,033.85					331,264,033.85
Total owners' equity	6,424,834,208.72					6,431,201,744.54
Total liabilities and owners' equity	8,333,357,415.07					8,339,724,950.89

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

The consolidated statements of cash flows are not presented as there are no significant differences except for presentation differences.

Note 1: Reclassifications of accounting items

Certain Target Group's figures in the consolidated statements of financial position, consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity have been reclassified to conform to the Group's presentation and classification and the details are illustrated as below:

(i) "Administrative expenses" reclassified from "Taxes and surcharges"

	Nine months ended 30 September	Year ended 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Increase in administrative expenses	(12,248,954.29)	(9,280,357.67)	(10,058,262.06)	(6,595,850.12)
Decrease in taxes and surcharges	12,248,954.29	9,280,357.67	10,058,262.06	6,595,850.12

(ii) Land use rights under "Intangible assets" reclassified to "Fixed assets"

	As at 30 September	As at 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Decrease in intangible assets	(21,368,769.99)	(21,992,640.40)	(21,603,854.28)	(21,461,808.16)
Increase in fixed assets	21,368,769.99	21,992,640.40	21,603,854.28	21,461,808.16

(iii) Value-added tax payables under "Tax payables" reclassified to "Other payables"

	As at 30 September	As at 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Decrease in tax payables	(48,708,352.24)	(56,592,137.76)	(62,608,001.99)	(48,338,975.52)
Increase in other payables	48,708,352.24	56,592,137.76	62,608,001.99	48,338,975.52

Note 2: Statutory reserves

The Target Group did not recognise statutory reserves from undistributed profit of each financial period of the Target Company and its subsidiaries. In comparison, the Company's accounting policy is to recognise statutory reserves from undistributed profit of each financial period of the Target Company and its subsidiaries.

	As at 30 September	As at 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Decrease in undistributed profit	(11,423,578.72)	(11,423,578.72)	(11,423,578.72)	(11,423,578.72)
Increase in statutory reserves	11,423,578.72	11,423,578.72	11,423,578.72	11,423,578.72

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

Note 3: Government grants

(i) “Capital reserve” to “Undistributed profit”

This opening adjustment is to reconcile the monetary government grant under the Company’s accounting policy.

In previous years, the government assumed certain bank borrowings of the Target Group in exchange of the land and building and fixed assets occupied by the Target Group. The difference between the carrying amounts of bank borrowings and building and fixed assets were considered as the monetary government grant and were accounted for as capital reserve under the Target Group’s accounting policies.

In accordance with the Company’s accounting policy, this difference would have been accounted for as undistributed profit of the Target Group.

Accordingly, this adjustment is to reclassify this difference from “Capital reserve” to “Undistributed profit”.

	As at 30 September	As at 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Decrease in capital reserve	(2,901,788.00)	(2,901,788.00)	(2,901,788.00)	(2,901,788.00)
Increase in undistributed profit	2,901,788.00	2,901,788.00	2,901,788.00	2,901,788.00

(ii) Depreciation and amortisation of Fixed assets and Intangible assets

This adjustment is to reconcile the non-monetary government grants under the Company’s accounting policy.

In previous years, non-monetary government grants received by the Target Group were credited to the capital reserve at fair value under the Target Group’s accounting policy, with the corresponding entries debited fixed assets and intangible assets separately.

In accordance with the Company’s accounting policy, non-monetary government grant is to recognise fixed assets and intangible assets at nominal value.

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

Accordingly, non-monetary government grant initially recognised under “Capital reserve”, “Fixed assets” and “Intangible assets” as at 31 December 2021, 2022 and 2023, and 30 September 2024 and the amortisation and depreciation expenses for each of the years ended 31 December 2021, 2022 and 2023, and the nine months ended 30 September 2024 were reversed and the related impact to the expenses for each of the years ended 31 December 2021, 2022 and 2023, and the nine months ended 30 September 2024 and related impact to the carrying amount of assets, liabilities and equity as at 31 December 2021, 2022 and 2023, and 30 September 2024 are set out as below:

	Nine months ended 30 September	Year ended 31 December		
	2024 RMB	2023 RMB	2022 RMB	2021 RMB
Decrease in depreciation expense	79,986.21	159,972.80	159,972.80	159,972.80
Decrease in amortisation expense	236,011.80	472,023.60	472,023.60	472,023.60
	As at 30 September	As at 31 December		
	2024 RMB	2023 RMB	2022 RMB	2021 RMB
Decrease in cost of fixed assets	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)
Decrease in accumulated depreciation of fixed assets as at beginning of the period/year	3,119,469.79	2,959,496.99	2,799,524.19	2,639,551.39
Decrease in depreciation of fixed assets for the period/year	79,986.21	159,972.80	159,972.80	159,972.80
Decrease in cost of intangible assets	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)
Decrease in accumulated amortisation of intangible assets as at beginning of the period/year	9,204,460.20	8,732,436.60	8,260,413.00	7,788,389.40
Decrease in amortisation of intangible assets for the period/year	236,011.80	472,023.60	472,023.60	472,023.60
Increase in undistributed profit as at beginning of the period/year	3,119,469.79	2,959,496.99	2,799,524.19	2,639,551.39
Increase in undistributed profit as at beginning of the period/year	9,204,460.20	8,732,436.60	8,260,413.00	7,788,389.40
Increase in undistributed profit as at the end of the period/year	79,986.21	159,972.80	159,972.80	159,972.80
Increase in undistributed profit as at the end of the period/year	236,011.80	472,023.60	472,023.60	472,023.60
Decrease in capital reserve relating to cost of fixed assts as at beginning of the period/year	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)	(3,199,456.00)
Decrease in capital reserve relating to cost of intangible assets as at beginning of the period/year	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)	(9,440,472.00)

APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

Note 4: Goodwill

This opening adjustment is to reconcile the difference of the goodwill at carrying amount of the Target Group and the carrying amount of the goodwill under the Company's accounting policy.

Under the Target Group's accounting policy, certain goodwill of the Target Group was amortised using useful lives of 10 years after initial recognition until the end of reporting period of 2006 and goodwill was subsequently measured at cost less accumulated impairment losses, if any, from the beginning of the accounting period of 2007. In comparison, under the Company's accounting policy, goodwill of the Target Group was amortised using estimated useful lives after initial recognition until the end of reporting period of 2004 and with effect of the changes in measurement of goodwill under HKFRSs in 2005, the goodwill was measured at cost less accumulated impairment losses, if any, from the beginning of the accounting period of 2005.

The impact to the adjustments on profit or loss for each of the years ended 31 December 2021, 2022 and 2023, and the nine months ended 30 September 2024 on the carrying amount of assets, liabilities and equity as at 31 December 2021, 2022 and 2023, and 30 September 2024 would have been as follows:

	As at 30 September	As at 31 December		
	2024	2023	2022	2021
	RMB	RMB	RMB	RMB
Increase in goodwill	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82
Increase in undistributed profit as at beginning of the period/year	6,367,535.82	6,367,535.82	6,367,535.82	6,367,535.82

Note 5: Changes in accounting policies concerning amendments to HKAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

HKICPA issued the amendments to HKAS 12 Income Taxes – Deferred Tax related To Assets and Liabilities arising from a Single Transaction which are effective for annual reporting periods beginning on or after 1 January 2023 ("Amendments to HKAS12").

The accounting policy of the Target Group and the Company is to restate opening balances of "Other comprehensive income", "Undistributed profit", "Minority shareholders' interests", "Deferred income tax assets" and "Deferred income tax liabilities" retrospectively from the beginning of the accounting period of 2022 upon the adoption of Amendments to HKAS 12. The amounts of the adjustment under the adoption of Amendments to HKAS 12 did not result in a material financial effect in the accounting period of 2022. Due to the insignificant magnitude, the Company did not restate the opening balances of "Other comprehensive income", "Undistributed profit", "Minority shareholders' interests", "Deferred income tax assets" and "Deferred income tax liabilities" retrospectively from the beginning of the accounting period of 2022 but recognised the accumulated effects in "Income tax expenses" during the year ended 31 December 2023.

	Year ended 31 December 2023 RMB
Decrease in income tax expenses	84,942.01
Decrease in other comprehensive income as at beginning of the year	75.33
Increase in other comprehensive income for the year	(75.33)
Decrease in undistributed profit as at beginning of the year	44,239.16
Increase in undistributed profit for the year	(44,239.16)
Decrease in minority shareholders' interests as at beginning of the year	40,627.52
Increase in minority shareholders' interests for the year	(40,627.52)

(1) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**Introduction**

The unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate the impact of the Disposal Mandate on (a) the financial position of the Group after the Possible Disposal (the “**Remaining Group**”) as if the Possible Disposal had been completed on 30 June 2024, (b) the results and cash flows of the Remaining Group for the year ended 31 December 2023 as if the Possible Disposal had been completed on 1 January 2023. The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not purport to present the true picture of (i) the financial position of the Remaining Group as at 30 June 2024 or at any future date had the Possible Disposal been completed on 30 June 2024; or (ii) the results and cash flows of the Remaining Group for the year ended 31 December 2023 or for any future period had the Possible Disposal been completed on 1 January 2023.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2023 as extracted from the condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and for the year ended 31 December 2023 as set out in the Company’s published interim report for the six months ended 30 June 2024 and the Company’s published annual report for the year ended 31 December 2023 respectively, after giving effect to the pro forma adjustments described in the notes to the Unaudited Pro Forma Financial Information that are, factually supportable and directly attributable to the Possible Disposal and is prepared in accordance with Rule 7.31 of the GEM Listing Rules.

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

(A) Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

	Consolidated statement of financial position of the Group as at 30 June 2024	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2024
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000
Non-current assets				
Property, plant and equipment	336,841			336,841
Investment properties	388,934			388,934
Goodwill	5,534			5,534
Other intangible assets	75,505			75,505
Investments in associates	2,508,396	(249,882)		2,258,514
Investments in joint ventures	100,717			100,717
Financial assets at FVTOCI	662,656			662,656
Financial assets at FVTPL	29,206			29,206
Deposits for purchase of property, plant and equipment	1,496			1,496
Deferred tax assets	52,683			52,683
	<u>4,161,968</u>			<u>3,912,086</u>
Current assets				
Inventories	18,318			18,318
Trade and other receivables	1,118,558			1,118,558
Pledged bank deposits	260			260
Cash and cash equivalents	176,155	162,798	–	338,953
	<u>1,313,291</u>			<u>1,476,089</u>
Total asset	<u>5,475,259</u>			<u>5,388,175</u>

(A) *Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group (Continued)*

	Consolidated statement of financial position of the Group as at 30 June 2024 RMB'000 (Note 1)	Pro forma adjustments RMB'000 (Note 2)		Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2024 RMB'000 (Note 3)
Current liabilities				
Trade and other payables	443,696			443,696
Bank and other loans	645,866			645,866
Lease liabilities	1,756			1,756
Current tax liabilities	11,998			11,998
	<u>1,103,316</u>			<u>1,103,316</u>
Net current assets	<u>209,975</u>			<u>372,773</u>
Total assets less current liabilities	<u>4,371,943</u>			<u>4,284,859</u>
Non-current liabilities				
Bank and other loans	322,450			322,450
Lease liabilities	2,388			2,388
Deferred tax liabilities	140,497			140,497
	<u>465,335</u>			<u>465,335</u>
NET ASSETS	<u>3,906,608</u>			<u>3,819,524</u>
EQUITY				
Share capital	151,446			151,446
Reserves	<u>3,490,559</u>	(87,084)	–	<u>3,403,475</u>
Equity attributable to the owners of the Company	3,642,005			3,554,921
Non-controlling interests	<u>264,603</u>			<u>264,603</u>
TOTAL EQUITY	<u>3,906,608</u>			<u>3,819,524</u>

(B) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group

	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 RMB'000 (Note 1)		Pro forma adjustments			Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2023 RMB'000
		RMB'000 (Note 4)	RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	
Revenue	566,375					566,375
Cost of sales and services	(441,995)					(441,995)
Gross profit	124,380					124,380
Other gains and income	13,838					13,838
Impairment loss on trade and other receivables, net	(210,678)					(210,678)
Distribution costs	(4,428)					(4,428)
Administration expenses	(84,935)					(84,935)
Other expenses	(45,978)					(45,978)
Loss on deemed partial disposal of an associate	(23,268)					(23,268)
Loss on disposal of a subsidiary	(593)					(593)
Gain on partial disposal of an associate	365,535					365,535
Loss on disposal of associates	(29,495)					(29,495)
Loss on partial disposal of an associate	—	(150,888)				(150,888)
Profit/(loss) from operations	104,378					(46,510)
Finance costs	(53,857)					(53,857)
Share of profit of associates	149,991			(23,243)	(6,000)	120,748
Share of loss of joint ventures	(3,877)					(3,877)
Profit before income tax	196,635					16,504
Income tax expense	(17,935)			—		(17,935)
Profit/(loss) for the year	178,700					(1,431)

(B) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group (Continued)

	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 RMB'000 (Note 1)			Pro forma adjustments RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000 (Note 7)	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2023 RMB'000
Other comprehensive income after tax:							
<i>Items that will not be reclassified to profit or loss:</i>							
Fair value changes of financial assets at FVTOCI	16,640						16,640
Share of other comprehensive income of associates	(29,034)				(571)		(29,605)
Share of other comprehensive income of joint ventures	2,771						2,771
	<u>(9,623)</u>						<u>(10,194)</u>
<i>Items that may be reclassified to profit or loss:</i>							
Exchange differences on translating foreign operations	(2,103)						(2,103)
	<u>(2,103)</u>						<u>(2,103)</u>
Other comprehensive income for the year, net of tax	<u>(11,726)</u>						<u>(12,297)</u>
Total comprehensive income for the year	<u>166,974</u>						<u>(13,728)</u>
Profit/(loss) for the year attributable to:							
Owners of the Company	195,207	(150,888)		–	(23,243)	(6,000)	15,076
Non-controlling interests	<u>(16,507)</u>						<u>(16,507)</u>
	<u>178,700</u>						<u>(1,431)</u>
Total comprehensive income for the year attributable to:							
Owners of the Company	188,152	(150,888)		–	(23,814)	(6,000)	7,450
Non-controlling interests	<u>(21,178)</u>						<u>(21,178)</u>
	<u>166,974</u>						<u>(13,728)</u>

(C) Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group

	Consolidated statement of cash flows of the Group for the year ended 31 December 2023 RMB'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2023 RMB'000
		RMB'000 (Note 4)	RMB'000 (Note 6)	RMB'000 (Note 7)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax	196,635	(150,888)	(23,243)	(6,000)	16,504
Adjustments for:					
Impairment loss on trade and other receivables, net	210,678				210,678
Write down of net realisable value of inventories	636				636
Impairment loss on goodwill	34,847				34,847
Depreciation and amortisation	39,235				39,235
Gain on disposal and written off of property, plant and equipment	(7,679)				(7,679)
Loss on deemed partial disposal of an associate	23,268				23,268
Gain on partial disposal of an associate	(365,535)				(365,535)
Loss on disposal of associates	29,495				29,495
Loss on disposal of a subsidiary	593				593
Loss on partial disposal of an associate	–	150,888			150,888
Gain on lease termination	(7,191)				(7,191)
Interest expense	55,021				55,021
Interest income	(6,456)				(6,456)
Net foreign exchange gain	(1,164)				(1,164)
Share of profit of associates	(149,991)		23,243	6,000	(120,748)
Share of loss of joint ventures	3,877				3,877
Operating profit before working capital changes	<u>56,269</u>				<u>56,269</u>
Decrease in inventories	4,175				4,175
Increase in trade receivables	(57,608)				(57,608)
Increase in prepayments, deposits and other receivables	(96,600)				(96,600)
Decrease in trade and other payables	(31,422)				(31,422)
Decrease in contract liabilities	<u>(363)</u>				<u>(363)</u>

(C) *Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group
(Continued)*

	Consolidated statement of cash flows of the Group for the year ended 31 December 2023 RMB'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2023 RMB'000
		RMB'000 (Note 4)	RMB'000 (Note 6)	RMB'000 (Note 7)	
Cash used in operations	(125,549)				(125,549)
Income taxes paid	(8,883)				(8,883)
Net cash used in operating activities	<u>(134,432)</u>				<u>(134,432)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash outflows of acquisition of non-controlling interest of a subsidiary	(18,000)				(18,000)
Deposits for potential investments	(30,000)				(30,000)
Increase in pledged bank deposits	(100)				(100)
Decrease in balances with associates	23,717				23,717
Increase in balances with a joint venture	(625)				(625)
Purchases of property, plant and equipment	(29,623)				(29,623)
Additions of investment properties	(8,238)				(8,238)
Purchases of intangible assets	(29,574)				(29,574)
Proceeds from disposal of property, plant and equipment	9,016				9,016
Purchase consideration of financial assets of FVTOCI	(4,780)				(4,780)
Purchase consideration of financial assets of FVTPL	(28,998)				(28,998)
Proceeds from disposal of financial assets at FVTOCI	29,900				29,900
Proceeds from partial disposal of an associate	220,369	164,800			385,169
Directly attributable costs from partial disposal of an associate	–	(165) (1,837)			(2,002)
Proceeds from disposal of investment in associates	15,784				15,784
Dividend received from an associate	40,494			(6,000)	34,494
Dividend received from a joint venture	54,029				54,029

(C) *Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group
(Continued)*

	Consolidated statement of cash flows of the Group for the year ended 31 December 2023 RMB'000 (Note 1)	Pro forma adjustments				Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2023 RMB'000
		RMB'000 (Note 4)	RMB'000 (Note 6)	RMB'000 (Note 7)		
Proceed received from capital reduction of a joint venture	23,030					23,030
Interest received	6,456					6,456
Net cash generated from investing activities	272,857					429,655
CASH FLOWS FROM FINANCIAL ACTIVITIES						
Bank and other loans raised	869,946					869,946
Repayments of bank and other loans	(927,565)					(927,565)
Advance to shareholders	(25)					(25)
Decrease in amounts due to related parties	(9,500)					(9,500)
Interest paid	(56,978)					(56,978)
Interim dividend paid	(70,520)					(70,520)
Repayments of lease liabilities	(16,338)					(16,338)
Net cash used in financing activities	(210,980)					(210,980)
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	(72,555)					84,243
Effect of foreign exchange rate changes	1,359					1,359
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	227,690					227,690
CASH AND CASH EQUIVALENTS AT END OF YEAR	156,494					313,292

(D) Notes to the Unaudited Pro Forma Financial Information of the Remaining Group

- 1) The consolidated statement of financial position of the Group as at 30 June 2024 is extracted without adjustment from the published unaudited interim report of the Company for the six months ended 30 June 2024. The consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2023 are extracted without adjustment from the annual report of the Company for the year ended 31 December 2023.
- 2) The adjustment represents the pro forma loss on Possible Disposal as if the Possible Disposal had been completed on 30 June 2024, which is calculated as follows:

	<i>Notes</i>	<i>RMB'000</i>
Estimated consideration	(a)	164,800
Estimated direct tax impact on the Possible Disposal	(b)	<u>(165)</u>
Estimated consideration after estimated direct tax effect		164,635
Interests of the Possible Disposal Shares as at 30 June 2024	(c)	(249,882)
Estimated transaction fees directly attributable to the Possible Disposal	(d)	<u>(1,837)</u>
Estimated resulting loss on the Possible Disposal before taxation		(87,084)
Estimated income tax impact on the Possible Disposal	3	<u>–</u>
Estimated resulting loss on the Possible Disposal after taxation	(e)	<u><u>(87,084)</u></u>

- (a) For the purpose of preparing the Unaudited Pro Forma Financial Information, the Directors have assumed the fair value of the consideration received from the Possible Disposal of 20,000,000 Target Shares of the Target Company (the “Possible Disposal Shares”), representing approximately 2.69% of the total issued Target Shares of 744,335,652 as at 30 June 2024 and the maximum number of the Target Shares to be disposed of under the Possible Disposal, at RMB8.24 per Target Share, being the minimum selling price of each Target Share under the Possible Disposal, on the basis that the Possible Disposal is transacted with the independent third parties to the Group and shall be settled in cash.
- (b) The amount represents stamp duty associated with the Possible Disposal Shares of approximately RMB165,000 as if the Possible Disposal had been completed on 30 June 2024 and is assumed to have been fully settled by cash on 30 June 2024.
- (c) The adjustment reflects the derecognition of the proportionate percentage interest of the Possible Disposal Shares as at 30 June 2024, to be calculated by the carrying amount of the associate as at 30 June 2024 of approximately RMB2,192,397,000 multiplied by the percentage interest in the associate to be disposed of approximately 2.69% and divided by the percentage interest in its associate of the Group of approximately 23.57%, as if the Possible Disposal had been completed on 30 June 2024. After the completion of the Possible Disposal, the Target Company is still considered as an associate of the Group.
- (d) The amount represents certain transaction fees directly attributable to the Possible Disposal, such as fee incurred for legal and professional service, assurance service fee and placing agency fee, amounting to approximately RMB1,837,000 and assumed to have been fully settled by cash on 30 June 2024.

**(D) Notes to the Unaudited Pro Forma Financial Information of the Remaining Group
(Continued)**

- (e) The actual gain or loss on the Possible Disposal may be different from the pro forma amount described above as the carrying amounts of interests in the Target Company on the actual date of the Possible Disposal will differ from their carrying amounts as at 30 June 2024. It is also subject to change as the actual transaction fees and related tax impact on the Possible Disposal will differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.
- 3) The PRC enterprise income tax estimated according to Article 19 of the Enterprise Income Tax Law. Since the taxable profit arising from the Possible Disposal could be set-off by the previous unrecognised tax loss, no estimated tax is recognised and included in current tax liabilities as at 30 June 2024 as if the Possible Disposal had been completed on 30 June 2024.
- 4) The adjustments reflect the recognition of the pro forma loss arising from the Possible Disposal as if the Possible Disposal had been completed on 1 January 2023:

	<i>Notes</i>	<i>RMB'000</i>
Estimated consideration	(a)	164,800
Estimated direct tax impact on the Possible Disposal	(b)	(165)
Estimated consideration after estimated direct tax effect		164,635
Interests of the Possible Disposal Shares as at 1 January 2023	(c)	(313,686)
Estimated transaction fees directly attributable to the Possible Disposal	(d)	(1,837)
Estimated resulting loss on the Possible Disposal before taxation		(150,888)
Estimated tax impact on the Possible Disposal	5	—
Estimated resulting loss on the Possible Disposal after taxation	(e)	(150,888)

- (a) For the purpose of preparing the Unaudited Pro Forma Financial Information, the Directors have assumed the fair value of the consideration received from the Possible Disposal of the Possible Disposal Shares, representing approximately 3.54% of the total issued Target Shares of 564,295,902 as at 1 January 2023 and the maximum number of the Target Shares to be disposed of under the Possible Disposal, at RMB8.24 per Target Share, being the minimum selling price of each Target Share under the Possible Disposal, on the basis that the Possible Disposal is transacted with the independent third parties to the Group and shall be settled in cash.
- (b) The amount represents stamp duty associated with the Possible Disposal Shares of approximately RMB165,000 as if the Possible Disposal had been completed on 1 January 2023 and is assumed to have been fully settled by cash on 1 January 2023.
- (c) The adjustment reflects the derecognition of the proportionate percentage interest of the Possible Disposal Shares as at 1 January 2023, to be calculated by the carrying amount of the associate as at 1 January 2023 of approximately RMB2,821,296,000 multiplied by the percentage interest in the associate to be disposed of approximately 3.54% and divided by the percentage interest in its associate of the Group of approximately 31.88%, as if the Possible Disposal had been completed on 1 January 2023. After the completion of the Possible Disposal, the Target Company is still considered as an associate of the Group.

***(D) Notes to the Unaudited Pro Forma Financial Information of the Remaining Group
(Continued)***

- (d) The amount represents certain transaction fees directly attributable to the Possible Disposal, such as fee incurred for legal and professional service, assurance service fee and placing agency fee, amounting to approximately RMB1,837,000 and assumed to have been fully settled by cash on 1 January 2023.
 - (e) The actual gain or loss on the Possible Disposal may be different from the pro forma amount described above as the carrying amounts of interests in the Target Company on the actual date of the Possible Disposal will differ from their carrying amounts on 1 January 2023. It is also subject to change as the actual transaction fees and related tax impact on the Possible Disposal will differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.
- 5) The amount represents the PRC enterprise income tax estimated according to Article 19 of the Enterprise Income Tax Law. Since the taxable profit arising from the Possible Disposal could be set-off by the previous unrecognised tax loss, no estimated tax is recognised and included in current tax liabilities as at 1 January 2023 as if the Possible Disposal had been completed on 1 January 2023.
 - 6) The adjustment reflects the exclusion of share of profits and other comprehensive income from the Possible Disposal Shares as at 1 January 2023 as if the Possible Disposal had been completed on 1 January 2023. After the completion of the Possible Disposal, the Target Company is still considered as an associate of the Group.
 - 7) The adjustment is to exclude the proportion of the dividend received attributable to the Possible Disposal Shares from the Target Company incorporated in the share of profit of the Target Company in the consolidated statement of profit or loss and other comprehensive income and in the consolidated statement of cash flows of the Group for the year ended 31 December 2023 as if the Possible Disposal had been completed on 1 January 2023.
 - 8) No adjustments have been made to reflect any trading results or other transactions of the Remaining Group entered into subsequent to 30 June 2024 or 31 December 2023.

(2) ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA INFORMATION OF
THE GROUP

The following is the text of a report received from BDO Limited, Certified Public Accountants, for the purpose of incorporation in this circular.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATIONTO THE DIRECTORS OF BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH
COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2023 and related notes as set out on pages III-1 to III-11 of Appendix III of the circular dated 30 December 2024 (the “**Circular**”) in connection to the possible disposal mandate for shares in Jade Bird Fire Co., Ltd. (the “**Possible Disposal**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages III-1 to III-11 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Possible Disposal on the Group's financial position as at 30 June 2024 and the Group's financial performance and cash flows for the year ended 31 December 2023 as if the Possible Disposal had taken place at 30 June 2024 and 1 January 2023, respectively. As part of this process, information about the Group's consolidated financial position have been extracted by the directors of the Company from the Group's condensed consolidated financial statements for the six months ended 30 June 2024 on which no auditor's report or review report has been published, and information about the Group's consolidated financial performance and consolidated cash flows have been extracted by the directors of the Company from the Group's consolidated financial statements for the year ended 31 December 2023, on which an independent auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Possible Disposal as at 30 June 2024 or 1 January 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

BDO Limited

Certified Public Accountants

Hong Kong

30 December 2024

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors', Supervisors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares and underlying Shares

Name	Capacity	Interest in Non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued Non-listed Shares (Note 2)	Approximate percentage of total number of issued H Shares (Note 3)	Approximate percentage of the Company's total issued shares (Note 4)
Supervisor						
Ms. Zhou Min	Beneficiary of trust	205,414,000 (Note 1)	–	29.34%	–	13.56%
Non-executive Director						
Mr. Liu Ziyi	Beneficial owner	–	2,311,000	–	0.28%	0.15%

Notes:

1. The above Supervisor is taken to be interested in the issued share capital of the Company through her interest as beneficiary, among other beneficiaries, of Heng Huat trust (“**Heng Huat Trust**”). By a declaration of Heng Huat Trust made as a deed on 19 July 2000, the shares of Heng Huat Investments Limited (“**Heng Huat**”) were held as trustees for the benefits of over 300 employees of Beijing Beida Jade Bird Software System Co., Ltd., Beijing Beida Jade Bird Limited and Beijing Beida Yu Huan Microelectronics System Engineering Co., Ltd. And their respective subsidiaries and associated companies and the Company. Heng Huat is beneficially interested in the entire issued share capital of Dynamic Win Assets Limited (“**Dynamic Win**”), and is taken to be interested in 205,414,000 Shares which Dynamic Win is interested.
2. The approximate percentage is calculated based on the total number of issued non-listed Shares as at the Latest Practicable Date, that is, 700,000,000 shares.
3. The approximate percentage is calculated based on the total number of issued H Shares as at the Latest Practicable Date, that is, 814,464,000 shares.
4. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date, that is, 1,514,464,000 shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.47 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

As at the Latest Practicable Date, so far as it was known to the Directors or the chief executive of the Company, the following persons (other than a Director, Supervisor or the chief executive of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Long positions in the Shares and underlying Shares

Name of Shareholder	Capacity	Interest in Non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued Non-listed Shares (Note 6)	Approximate percentage of total number of issued H Shares (Note 7)	Approximate percentage of the Company's total issued shares (Note 8)
Substantial shareholders						
Heng Huat Investments Limited (Note 1)	Interest of controlled corporation	205,414,000	–	29.34%	–	13.56%
Dynamic Win Assets Limited (Note 1)	Beneficial owner	205,414,000	–	29.34%	–	13.56%
Other persons						
Peking University (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Beida Asset Management Co., Ltd. (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Beijing Beida Jade Bird Software System Co. Ltd. (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Beida Microelectronics Investment Limited (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Gifted Pillar Limited (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Rainbow Mountain Holdings Limited (Note 2)	Interest of controlled corporation	85,000,000	–	12.14%	–	5.61%
Beijing Rainbow Mountain Sci-Tech Development Co, Ltd. (Note 2)	Beneficial owner	85,000,000	–	12.14%	–	5.61%
Cai Yiwen (Note 3)	Interest of controlled corporation	115,000,000	–	16.43%	–	7.59%
Cancun Holdings Limited (Note 3)	Interest of controlled corporation	115,000,000	–	16.43%	–	7.59%
Rainbow Wave Investment Limited (Note 3)	Interest of controlled corporation	115,000,000	–	16.43%	–	7.59%

Name of Shareholder	Capacity	Interest in Non-listed Shares	Interest in H Shares	Approximate percentage of total number of issued Non-listed Shares (Note 6)	Approximate percentage of total number of issued H Shares (Note 7)	Approximate percentage of the Company's total issued shares (Note 8)
Nanhai Huancheng Technology Co., Ltd. (Note 3)	Interest of controlled corporation	115,000,000	–	16.43%	–	7.59%
Shenzhen Yingtai Industrial Investment Co., Ltd. (Note 3)	Beneficial owner	115,000,000	–	16.43%	–	7.59%
Zhai Yong (Note 4)	Interest of controlled corporation	110,000,000	–	15.71%	–	7.26%
Grand One Investments Limited (Note 4)	Interest of controlled corporation	110,000,000	–	15.71%	–	7.26%
Grand East (H.K.) Limited (Note 4)	Beneficial owner	110,000,000	–	15.71%	–	7.26%
Mongolia Energy Corporation Limited (Note 5)	Interest of controlled corporation	84,486,000	–	12.08%	–	5.58%
New View Venture Limited (Note 5)	Beneficial owner	84,486,000	–	12.08%	–	5.58%
Asian Technology Investment Company Limited	Beneficial owner	50,000,000	–	7.14%	–	3.30%
Huang Taomei (Note 6)	Interest of controlled corporation	–	126,214,000	–	15.5%	8.33%
Merida Group Limited (Note 6)	Interest of controlled corporation	–	126,214,000	–	15.5%	8.33%
Nippon Incubation Co. Ltd. (Note 6)	Interest of controlled corporation	–	126,214,000	–	15.5%	8.33%
Brilliant Simile Limited (Note 6)	Interest of controlled corporation	–	126,214,000	–	15.5%	8.33%
Asia Development Capital (HK) Limited (Note 6)	Beneficial owner	–	126,214,000	–	15.5%	8.33%

Notes:

- The non-listed Shares are held by Dynamic Win, which is beneficially wholly-owned by Heng Huat. Please refer to the note to the paragraph headed “Directors, Supervisors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations” above for further details of Heng Huat.

2. Peking University is taken to be interested in 5.61% of the total issued share capital of the Company through 85 million non-listed Shares (representing approximately 5.61% of the Company's total issued share capital) in which Beijing Rainbow Mountain Sci-Tech Development Co., Ltd. is interested. Peking University owns 100% equity interest in Beida Asset Management Co., Ltd. Which in turn owns 48% equity interest in Beijing Beida Jade Bird Software System Co., Ltd. Which in turn owns 100% equity interest in Beida Microelectronics Investment Limited which in turn owns 46% equity interest in Gifted Pillar Limited which in turn owns 100% equity interest in Rainbow Mountain Holdings Limited which in turn owns 100% equity interest in Beijing Rainbow Mountain Sci-Tech Development Co., Ltd..
3. These non-listed Shares are held by Shenzhen Yingtai Industrial Investment Co., Ltd., which is in turn wholly owned by Nanhai Huancheng Technology Co., Ltd., which is in turn wholly owned by Rainbow Wave Investment Limited, which is in turn wholly owned by Cancun Holdings Limited, which is in turn wholly owned by Cai Yiwen.
4. These non-listed Shares are held by Grand East (H.K.) Limited, which is wholly owned by Grand One Investments Limited, which is in turn wholly owned by Zhai Yong.
5. The non-listed Shares are held by New View Venture Limited, which is wholly-owned by Mongolia Energy Corporation Limited.
6. These H Shares are held by Asia Development Capital (HK) Limited, which is wholly owned by Brilliant Smile Limited which is in turn wholly owned by Nippon Incubation Co., Ltd, which is in turn wholly owned by Merida Group Limited, which is in turn wholly owned by Huang Taomei.
7. The approximate percentage is calculated based on the total number of issued non-listed Shares as at the Latest Practicable Date, that is, 700,000,000 shares.
8. The approximate percentage is calculated based on the total number of issued H Shares as at the Latest Practicable Date, that is, 814,464,000 shares.
9. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date, that is, 1,514,464,000 shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than a Director, Supervisor or chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept pursuant to section 336 of the SFO.

As at the Latest Practicable Date, no director or proposed director is a director or employee of the Company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the Directors and Supervisors has entered into a service contract or letter of appointment with the Company as follows:

- (a) the Company has entered into a service contract with Ms. Zheng Zhong, an executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Zheng Zhong will receive an annual fee of RMB220,000 and annual salaries and allowances of RMB280,000 and HK\$756,000 respectively;
- (b) the Company has entered into a service contract with Mr. Wang Xingye, an executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027. Pursuant to which Mr. Wang Xingye will receive an annual fee of RMB220,000 and annual salaries and allowances of RMB580,000;
- (c) the Company has entered into a service contract with Ms. Guan Xueming, an executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Guan Xueming will receive an annual fee of RMB220,000 and annual salaries and allowances of RMB530,000;
- (d) the Company has entered into a letter of appointment with Mr. Liu Ziyi, a non-executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Mr. Liu Ziyi will receive an annual fee of RMB80,000;
- (e) the Company has entered into a letter of appointment with Mr. Tang Xuan, an independent non-executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Mr. Tang Xuan will receive an annual fee of RMB80,000;
- (f) the Company has entered into a letter of appointment with Mr. Shen Wei, an independent non-executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Mr. Shen Wei will receive an annual fee of RMB80,000;
- (g) the Company has entered into a letter of appointment with Ms. Liu Zhangchi, an independent non-executive Director, for a term of three years commencing on 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Liu Zhangchi, will receive an annual fee of RMB80,000;

- (h) the Company has entered into a service contract with Mr. Pan Yudong, an external Supervisor, for a term of three years commencing from 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Mr. Pan Yudong will receive an annual fee of RMB50,000;
- (i) the Company has entered into a service contract with Ms. Yang Xiaoqing, an external Supervisor, for a term of three years commencing from 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Yang Xiaoqing will receive an annual fee of RMB50,000;
- (j) the Company has entered into a service contract with Mr. Zhu Bingze, an external Supervisor, for a term of three years commencing from 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Mr. Zhu Bingze will receive an annual fee of RMB50,000;
- (k) the Company has entered into a service contract with Ms. Zhou Min, an employee representative Supervisor, for a term of three years commencing from 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Zhou Min will receive an annual fee of RMB50,000; and
- (l) the Company has entered into a service contract with Ms. Cao Zhenzhen, an employee representative Supervisor, for a term of three years commencing from 31 May 2024 until the conclusion of the 2026 annual general meeting to be held by the Company in 2027, pursuant to which Ms. Cao Zhenzhen will receive an annual fee of RMB50,000.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

4. LITIGATION

Reference is made to the announcements of the Company dated 30 September 2024 and 14 November 2024, on 14 November 2024, the Company made application for arbitration with the Beijing Arbitration Commission for, among others, the return of Sales Shares by Mr. Cai to the Company through judicial transfer, in order to resolve the issues in relation to the termination of the Share Transfer Agreement.

As at the Latest Practicable Date, saved as disclosed above, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors, Supervisors, controlling shareholder of the Company nor their respective close associates had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed under rule 11.04 of the GEM Listing Rules.

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors or Supervisors had, or has had, any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2023, the date of which the latest published audited consolidated financial statements of the Group were made up.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the share transfer agreement ("**Share Transfer Agreement**") dated 21 November 2022 and entered into between the Company and Mr. Cai in relation to the disposal of 44,900,000 Target Shares at the total consideration of RMB1,101,846,000;
- (ii) the guarantee contract dated 17 April 2023 entered into between the Company and Bank of Communications Co., Ltd. Zhangjiakou Branch ("**BOC**"), pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company in relation to a loan in the principal amount of RMB50,000,000 under the loan agreement dated 17 April 2023, further details of which are set out in the announcement dated 17 April 2023;

- (iii) the guarantee contract dated 15 May 2023 entered into between the Company and BOC, pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company in relation to a loan in the principal amount of RMB50,000,000 under the loan agreement dated 15 May 2023, further details of which are set out in the announcement dated 15 May 2023;
- (iv) the subscription agreement dated 28 December 2023 entered into between 華融國際特殊投資基金 SPC (Huarong International Special Investment Fund SPC) (“**Fund**”) and Beida Jade Bird Universal Sci-Tech (Cayman) Development Company Limited (“**Subscriber**”), a wholly-owned subsidiary of the Company, pursuant to which the Subscriber agreed to subscribe for participating, non-redeemable, non-voting shares of par value US\$0.001 in the capital of the Fund attributable to Fund V SP, a closed-end segregated portfolio of the Fund, at a total subscription amount of HK\$40 million, further details of which are set out in the announcement dated 28 December 2023;
- (v) the equity transfer agreement dated 16 January 2024 entered into between 上海創業投資有限公司 (for identification purpose only, Shanghai Venture Capital Co., Ltd.) (“**Shanghai Venture Capital**”) and the Company in relation to the acquisition of 25% of registered capital of Shanghai Shengjin from Shanghai Venture Capital by the Company at the consideration of RMB106,690,000, further details of which are set out in the announcement dated 9 January 2024;
- (vi) the guarantee contract dated 24 April 2024 entered into between the Company and BOC, pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company in relation to a loan in the principal amount of RMB50,000,000 under the loan agreement dated 24 April 2024, further details of which are set out in the announcement dated 25 April 2024;
- (vii) the Supplemental Agreement dated 13 May 2024 and entered into between the Company, Mr. Cai and Mr. Tsang Desheng to amend terms of the Share Transfer Agreement, pursuant to which Mr. Cai shall settle the then outstanding balance of the Consideration of RMB881,476,800 (“**Outstanding Consideration**”) as to (a) part of the Outstanding Consideration in the sum of RMB571,425,000 by way of transfer to the Company of 38,095,000 Target Shares by 30 September 2024; and (b) the remaining balance of the Outstanding Consideration of RMB310,051,800 by way of cash and/or Target Shares within one year from the effective date of the Supplemental Agreement, further details of which are set out in the announcement dated 13 May 2024;
- (viii) the guarantee contract dated 16 May 2024 entered into between the Company and BOC, pursuant to which the Company agreed to guarantee the repayment obligations of the Target Company in relation to a loan in the principal amount of RMB50,000,000 under the loan agreement dated 16 May 2024, further details of which are set out in the announcement dated 16 May 2024;

- (ix) the equity transfer agreement (“**2024 Equity Transfer Agreement**”) dated 25 June 2024 entered into between the Company, Beijing Beida Jade Bird Education Co., Ltd., Beijing Mo Li Enterprise Management Consulting Partnership (Limited Partnership) and Beijing Jade Bird Vocational Education Technology Development Co., Ltd., in relation to the acquisition of 70% of registered capital of Beijing Jade Bird Vocational Education Technology Development Co., Ltd. from Beijing Beida Jade Bird Education Co., Ltd. by the Company at the consideration of RMB13,054,150, further details of which are set out in the announcement dated 25 June 2024;
- (x) the termination agreement dated 30 September 2024 entered into between the Company and Mr. Cai, pursuant to which the Company and Mr. Cai agreed to terminate the Supplemental Agreement with effect from 30 September 2024, and upon the termination of the Supplemental Agreement, Mr. Cai has been requested by the Company to (a) return to the Company the Sale Shares; (b) return to the Company the dividend income in the aggregate amount of RMB33,899,500 attributable to the Sale Shares paid by the Target Company in May 2023 and April 2024; and (c) pay to the Company compensation in the sum equal to 20% of the Consideration (i.e. RMB220,369,200), further details of which are set out in the announcement dated 30 September 2024; and
- (xi) the supplemental agreement dated 20 December 2024 and entered into between the Company, Beijing Beida Jade Bird Education Co., Ltd., Beijing Mo Li Enterprise Management Consulting Partnership (Limited Partnership) and Beijing Jade Bird Vocational Education Technology Development Co., Ltd. to amend certain terms of the 2024 Equity Transfer Agreement in relation to the acquisition of 70% of registered capital of Beijing Jade Bird Vocational Education Technology Development Co., Ltd. from Beijing Beida Jade Bird Education Co., Ltd. by the Company at the consideration of RMB13,054,150, pursuant to which, among others, the long stop date for the satisfaction of the conditions precedent to such acquisition has been extended, further details of which are set out in the announcement dated 20 December 2024.

8. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given an opinion or advice which is included in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, the expert named above:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letter, report and/or summary of its opinions and references to its name and logo in the form and context in which they are included;

- (b) was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

- (a) The registered office of the Company is at 3rd Floor, Beida Jade Bird Building Yanyuan District Area 3, No. 5 Haidian Road, Haidian District, Beijing 100080, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at 17th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The company secretary of the Company is Mr. Chan Chi Hung, who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (e) The Company has established the audit committee of the Company ("**Audit Committee**") with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The Audit Committee is accountable to the Board. Its primary duties include monitoring the financial reporting system and risk management and internal control systems of the Group, reviewing financial information, and advising the Board on engagement and independence of independent auditors.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Xuan (chairman of the Audit Committee), Mr. Shen Wei and Ms. Liu Zhangchi. Their background are as follows:

Mr. Tang Xuan (“Mr. Tang”)

Mr. Tang Xuan, aged 52, was appointed as an independent non-executive Director on 15 May 2020. Mr. Tang graduated from Chongqing University with a Bachelor’s degree in engineering, and is a certified accountant in the PRC and a member of the Institute of Public Accountants in Australia. He worked in Zhongxin Coopers Certified Public Accountants in the PRC and is currently an audit partner of ShineWing Certified Public Accountants in the PRC, and has 28 years of professional experience in investment, finance and auditing. He has been responsible for the audit assurance, special services, corporate asset reorganization, restructuring and listing of some large enterprise groups. He was an external independent director of Zhongji Investment Co., Ltd. and an external expert committee member of the loan review department of China Development Bank. He is currently an independent director of Lizhong Sitong Light Alloy Group Co., Ltd. (an A share company listed on the Shenzhen Stock Exchange (stock code: 300428)) and an independent director of Malo Medical Management Co., Ltd..

Mr. Shen Wei (“Mr. Shen”)

Mr. Shen Wei, aged 62, was appointed as an independent non-executive Director on 31 May 2018. Mr. Shen graduated from the department of precision instruments of the Tsinghua University with a Bachelor’s degree in engineering in 1985. Mr. Shen co-founded “CIWEEK” and served as the first chief editor in 1998, who has made contribution to the enlightenment and development of internet in the PRC. He then co-founded the website, namely “eNet” and Yinhe Liandong Information Technology Company, and has extensive experience in internet strategy, products and operations. Mr. Shen has dozens of patented inventions in the field of two-dimensional code technology. In 2015, Mr. Shen established Beijing Dama Technology Co., Ltd. to focus on the application of innovative QR code technology, especially the basic technology and application in the field of secure QR code and multi-screen interaction. Mr. Shen has worked for Beijing Institute of Optoelectronics Technology, Beijing office of East Asiatic Company, Beijing Changwei Technology Development Co., Ltd., CIWEEKLY, Yinhe Liandong Information Technology Company, Beijing Huayu Xinma Technology Co., Ltd., etc.. He is currently the founder and chief executive officer of Beijing Dama Technology Co., Ltd..

Ms. Liu Zhangchi (“Ms. Liu”)

Ms. Liu Zhangchi, aged 29, was appointed as an independent non-executive Director on 31 May 2024. Ms. Liu graduated from the Boston College in 2016 with a double bachelor’s degree in history and economics. Ms. Liu was a co-founder of Beijing Jieke Technology Co., Ltd. and the chief executive officer of a self-established baking brand in Beijing. Ms. Liu was the acting chief executive officer of Christine International Holdings Limited, where she was responsible for its asset and business restructuring and corporate transformation planning. She was the strategic advisor of Shenzhen Heiluo Technology Co., Ltd.. She is currently the strategic advisor of Changsha Heiluo Technology Co., Ltd., and she has participated in its business planning, financing, and team building and management.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at (www.jbu.com.cn) for 14 days after the date of this circular:

- (a) the annual report of the Company for the year ended 31 December 2023;
- (b) the annual report of the Company for the year ended 31 December 2022;
- (c) the annual report of the Company for the year ended 31 December 2021;
- (d) the interim report of the Company for the six months ended 30 June 2024;
- (e) the audited consolidated financial statements of the Target Company for the three years ended 31 December 2023 and the unaudited consolidated financial statements of the Target Company for the nine months ended 30 September 2024, as set out in Appendix II to this circular;
- (f) the report by BDO on the Reconciliation Information as set out in Appendix II to this circular;
- (g) the report by BDO on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular; and
- (h) the written consent referred in the section headed “8. Expert and Consent” in this Appendix.

NOTICE OF SGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



北京北大青鳥環宇科技股份有限公司
BEIJING BEIDA JADE BIRD UNIVERSAL SCI-TECH COMPANY LIMITED
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08095)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**SGM**”) of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (“**Company**”) will be held at 10:30 a.m. on Tuesday, 21 January 2025 at Conference Room A, Block B, 3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC, for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the disposal(s) (“**Disposal**”) by the Company of up to 20,000,000 shares (“**Target Shares**”) in Jade Bird Fire Co., Ltd. through (i) open market on the Shenzhen Stock Exchange and/or (ii) block trade(s) on the Shenzhen Stock Exchange by entering into placing agreement(s) with placing agent(s) during a 12-month period from the date of passing of this ordinary resolution by the shareholders of the Company be and is hereby approved;
- (b) no disposal of the Target Shares pursuant to the authority granted under this ordinary resolution shall be made unless:
 - (i) such disposal is conducted on normal commercial terms and shall be fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole;
 - (ii) the selling price of the Target Shares under the Disposal shall be settled in cash;

NOTICE OF SGM

- (iii) the selling price (excluding transaction costs) of each Target Share under the Disposal shall be the then market price of the Target Shares at the relevant time, provided that (a) whereas the Target Shares are to be disposed of through a block trade on the Shenzhen Stock Exchange, the selling price of each Target Share (excluding transaction costs) under the Disposal shall not be less than the higher of (i) RMB8.24 (“**Minimum Selling Price**”); and (ii) 95% of the average closing price of the Target Shares for the 5 trading days immediately before the placing agreement(s); and (b) whereas the Target Shares are to be disposed of through the open market of the Shenzhen Stock Exchange, the selling price (excluding transaction costs) of each Target Share under the Disposal shall not be less than the Minimum Selling Price;
 - (iv) the Disposal shall comply with all relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong and the PRC; and
 - (v) the persons to whom the Target Shares will be disposed of and/or their respective ultimate beneficial owners, will, to the best of the knowledge, information and belief of the directors (“**Directors**”) of the Company having made all reasonable enquiries, be third party(ies) independent of the Company and its connected persons (has the meaning ascribed to it under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited), provided that in case where the Disposal is effected on open market of the Shenzhen Stock Exchange, the identity of the counterparty(ies) to the Disposal would not be ascertained
- (c) any one of the Directors or a duly authorised committee of the board of Directors (“**Board**”) be and are/is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Disposal and the transactions contemplated thereunder.”

On behalf of the Board

Beijing Beida Jade Bird Universal Sci-Tech Company Limited

Zheng Zhong

Chairman

Beijing, the PRC
30 December 2024

NOTICE OF SGM

Notes:

- (A) The registers of shareholders of the Company (“**Shareholders**”) will be closed from Thursday, 16 January 2025 to Tuesday, 21 January 2025 (both days inclusive) during which period no transfer of shares of the Company (“**Shares**”) will be registered. In order to qualify for the entitlement to attend and vote at the SGM, all transfer of H Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Wednesday, 15 January 2025.

The address of Computershare Hong Kong Investor Services Limited is as follows:

17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

(Fax no: 852-2865-0990)

- (B) Each holder of H Shares entitled to attend and vote at the SGM shall have the right to appoint one or several persons who may not be Shareholders to act as his/her proxy to attend and vote at the SGM on his/her behalf.
- (C) The instrument appointing a proxy must be in writing under the hand of the principal or his/her attorney duly authorised in writing; for a legal person, the form of proxy must be affixed with the common seal or signed by its director or attorney duly authorized in writing. If that instrument is signed by a person authorized by the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized.
- (D) The instrument of proxy, and if the instrument of proxy is signed by a person authorized by the principal, a notarized copy of that power of attorney or other authorization documents, must be deposited at the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, by 10:30 a.m. on Monday, 20 January 2025 or not less than 24 hours before the time for holding any adjournment of the SGM in order for such documents to be valid.

The address of Computershare Hong Kong Investor Services Limited is as follows:

17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

(Fax no: 852-2865-0990)

- (E) Each holder of non-listed Shares entitled to attend and vote at the SGM shall have the right to appoint in writing one or several persons (who may not be Shareholders) to act as his/her proxy to attend and vote at the SGM on his/her behalf. Notes (C) and (D) above also apply to holders of non-listed Shares, except that the instrument of proxy or other documents of authority must be deposited at the principal place of business of the Company in Beijing, by 10:30 a.m. on Monday, 20 January 2025 or not less than 24 hours before the time for holding any adjournment of the SGM in order for such documents to be valid.

The principal place of business of the Company in Beijing is as follows:

3rd Floor, Beida Jade Bird Building, No. 207 Chengfu Road, Haidian District, Beijing 100871, the PRC

(Fax no: 86-10-6275-8434)

- (F) If a Shareholder appoints others to attend the SGM, the proxy shall produce his/her own identification document and the instrument of proxy signed by the proxy or his/her legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints a proxy to attend the SGM, such proxy should produce his/her identification documents and a notarized copy of the resolution of the board of directors of the legal person appointing such proxy.
- (G) The SGM is expected to last for 30 minutes. Shareholders attending the SGM are responsible for their own transportation and accommodation expenses.
- (H) The resolutions at the SGM will be taken by poll pursuant to the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the GEM Listing Rules.

NOTICE OF SGM

As at the date of this notice, Ms. Zheng Zhong, Mr. Wang Xingye and Ms. Guan Xueming are the executive Directors, Mr. Liu Ziyi is a non-executive Director, and Mr. Tang Xuan, Mr. Shen Wei and Ms. Liu Zhangchi are the independent non-executive Directors.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at "www.jbu.com.cn".